

LOMBARD

£'s dangerous new phase

BY C. GORDON TETHER

THE FACT that the £ continues to display a tendency to slide at a disconcertingly fast pace even though there is general recognition that it is already materially undervalued contains the ominous suggestion that its fall from grace has entered a much more worrying phase. It is one wherein fears that it is doomed to total collapse may be apt to find expression in wholesale liquidation prompted by the simplistic philosophy that it is advisable to get out while the going is good.

It has to be recognised that in such a situation, only direct action that everyone can see would be calculated to produce a dramatic change for the better in the supply-demand relationship which is likely to stem the flood. Which means that the arguments for adopting a siege-type policy on the balance of payments front now look more impressive than ever.

If the outside world has not been persuaded by the Government's income policy, success to manifest greater confidence in sterling, the explanation is almost certainly to be found in the impact on its thinking of something seen as having even greater relevance to its immediate outlook. It is the fact that central bank activity has been powerless to prevent the £ manifesting signs of going the same way as the Italian lira—moving into a situation wherein the less inclined people are to want to hold it.

There is a general awareness abroad that the British authorities do not have at their command sufficient foreign currency to cover the withdrawal of anything like the whole of the massive quantity of hot money that has been allowed to pile up in London during the past few years. The exhibition of near-helplessness they have displayed in face of the attack sterling has come under in recent weeks has inevitably served to foster the impression that the £'s vulnerability on this account is of a more serious order than had previously been supposed.

The atmosphere has naturally not been improved by the popularity in political and Press circles in this country of the theme that the successful prosecution of the attack on the pound-prices spiral aspect of the inflation problem will await us little if no action is taken to cut Government expenditure substantially. The same is true of the increasingly fashionable practice among overseas pundits of presenting a sterling scenario

which portrays the range of possibilities as lying between a continuing slide that takes it through the \$150 barrier before the end of 1976 and a collapse culminating in the replacement of the existing currency by a new heavy-weight version.

Given such a background, there is an inevitable tendency for the question of whether the current rate of exchange is realistic or not to be seen as no longer having any great relevance. And the fact that the heading fall in the Italian lira had already produced a situation some time back where it was by any normal criterion extremely cheap did not stop it becoming the victim of further major bouts of selling.

The point is that, when concern for a currency reaches these proportions, holders begin to worry about two possibilities. One is of it moving into a slide that will carry it beyond the point of no return. The other is that official efforts to prevent that happening will find expression in the imposition of stringent exchange controls—controls which will have the effect of either freeing foreign holdings or seriously impairing their usefulness in other ways.

Meaningful

It looks very much as though the £ is now within range of a powerful chain reaction of this baleful kind. And since the amount of foot-loose money that could be persuaded to move out of London is so large, one thing seems clear. It is that there is a need for the Government to do something more meaningful than engage in constant reiteration of the theme that when market operators have carried the £ down too far it can only be a matter of time before they realise this and put it up again.

By "more meaningful" I mean action of the drastic type Italy has recently taken to re-establish confidence in the lira through reinforcement of the current account balance of payments situation—more particularly by bringing imports back to a level the country can afford. There is no doubt that such a step could do wonders in the British case. And it would no longer run any risk of provoking foreign retaliation.

Italy's measures received the more or less instant blessing of the international trading community. And as the British case for taking such defensive action is even more impressive, there is no reason why it should not induce a similar response.

RACING

BY DOMINIC WIGAN

Marshall's raid at Lanark

BILL MARSHALL who has moved to Newmarket, following spells at several other well-known training centres, mounts a strong raid on Lanark today.

He has been of success on this right-handed oval course since the with Farewell Bleep, among the runners for the opening event, The Carlisle Selling Stakes (2.15).

An easy winner of a similar event at Folkestone last August, Farewell Bleep showed his first form this season when chasing home O'Soy and Witches Broom in the six furlongs Middleweight Handicap at Hamilton early last month.

Bleep, who was retained by his connections for 720 gns. at the Newmarket July Sales last year, seems sure to have come on a few pounds since that run, and provided that he gets into the form of the trip which he is attempting for only the third time in 21 outings, he seems likely to come out on top. A second possible winner for Bill Marshall and son Richard is Frigate, who goes for the Grosford Stakes (4.45). This half-sister by Varano to several winners including the Irish 1,000 Guineas and St Leger winner Pique, showed her best form to date when keeping on gamely to take third place in a field of 11 behind All Forever at Hamilton 10 days ago.

She takes her to increase her padlock value dramatically by

outstaying the lightly raced Schoolhouse Dale, which came in a respectable fifth of 10 in Chester's Grosvenor Stakes.

LANARK
2.15—Farewell Bleep
2.15—Gurgling
2.45—Story Teller
4.15—Gold Streak
4.45—Frigate

SALISBURY
2.30—Track Hero
3.00—Mandate
4.00—Moar Lane
4.30—Point of Honour

One race where it will probably pay backers to overlook the Marshall runner is the Carlisle Selling Stakes (2.15). Here his representative, Stormer, will probably not be on level terms with

the considerably younger Gold Streak.

At today's other meeting, Salisbury, where the downhill course, with its many beech trees, and fine view over the cathedral should be looking at its peak. I expect to see Richard Hannan and Frankie Durr land the one-mile Moonraker Handicap (3.00) for a second successive time.

Last year Western Isle provided them with a popular winner, and this time the progressive Mandate looks up to the task. This good-looking Manxville colt, formerly trained by the late John Sutcliffe, found little difficulty in outpacing Amadina in the valuable Sidney Thompson Memorial Handicap at Brighton last time only 32 per cent. make use of audio-visual aids—whereas 91 per cent. of the 20,000 training departments do use them. These aids are least used at the sharp end of business activities.

Kodak also reckon that of the 40m. meetings attended by managers in 1975, only 36 per cent. made use of audio-visual aids. There are, of course, reasons for this under-use, many of which relate to convenience and lack of conviction that a-v aids can really help. Some of Kodak's own research confirms this.

Management

Yet slowly the message is penetrating industry's upper echelons as more managers realise the potential of a-v aids and a wider range of sophisticated equipment becomes available. The manager's office of the future could house the most startling array of such equipment—specifically designed as management tools.

George Orwell was alive, the next eight years would yield some surprises for him. The manager's office in 1984 will almost certainly have a television set—not as a status symbol but as a channel for incoming information.

The main justification for TV receivers will be the availability of teletext services—now already being transmitted by the BBC and ITV companies. These allow the user to receive not only regular TV programmes, but also data such as share prices, exchange rates, weather forecasts, and even at a regional level the occupancy state of hotel bedrooms, traffic conditions and other information. The telephone may also hook into the system, via the Post Office's Viewdata service, which can offer by dialling an even greater range of specialised information.

Once the television set is there, because some 30,000 still pictures can be carried on one 12in. at home watching old BBC records, providing the manager peats.

SALEROOM

BY MICHAEL THOMPSON-NOEL

Big prices for ceramics

CHRISTIE'S sale of English and Continental ceramics pulled in some big prices yesterday, including a record £16,000—plus £1,000 buyer's premium—for a massive pair of Sevres-porcelain vases.

From the collection of the late Mr. William Pickles, of Clifton Hall, Preston, the vases were the top lot in a 559,500 sale. They stand 60 inches high and feature more than double the previous record for vases of this type.

They were painted by Pascault with the marriage of Napoleon I and Josephine, and with Josephine's crowning, after David. Their pre-sale estimate was £4,000-£5,000.

A Sevres turquoise-ground dinner service fetched £4,000, and a pair of Sevres-porcelain vases made £3,000 (top estimate: £2,000).

A pair of Sevres-porcelain vases, painted by Desnoes, were bought privately

for £1,850, and Kuros paid £1,600 for a Sevres-porcelain pot-pourri vase and cover.

Christie's also sold Japanese porcelain, lacquer and works of art for £48,088. A rare 17th century Kakiemon baluster jar fetched £2,500. A 19th century period lacquer kimono stand and a 19th century lacquer bunks each sold for £2,600.

At Christie's South Kensington, a jewellery sale brought in £20,531. An anonymous buyer paid the low highest prices in Sotheby's 522,413 sale in printed books, Continental and Russian autograph letters and historical documents.

He gave £3,800—plus £300 buyer's premium—for a first edition, first issue copy of *Paradise Lost* and £1,000 for a three-volume, first edition copy of Jane Austen's *Mansfield Park*. The sale continues to-day.

Also at Sotheby's, a sale of English enamels earned £30,545.

The prices showed strength in depth, with a tiny bought-in percentage of 2.3.

Harkins paid £2,750 for a Benetton cigarette glass and gilt-metal cigarette case, c. 1770-85, and S. J. Phillips, another London dealer, had £1,800 for a London tobacco box, c. 1760.

In a sale of furniture and works of art which realised £26,525 at Phillips, Bishop paid £550 for a set of 10 William IV carved mahogany dining chairs (estimated £450). A 19th century Chinese hardwood altar table was bought by Reford for £400.

Not the most important, but certainly one of the strangest, objects in the sale was a bronze figure of a chimpanzee measuring a skull with a pair of dividers and sitting on a volume of Charles Darwin's works, c. 1870-85. Such is the demand for the most exotic Victorian that the group sold for £120, almost twice its estimate.

A sale of oil paintings totalled £22,518.

TV/Radio

* Indicates programmes in black and white

BBC 1

7.05-7.35 a.m. Open University (LHF only). 9.25 For Schools. 10.00-10.30 a.m. News. 10.30-11.00 a.m. News. 11.00-11.30 a.m. News. 11.30-12.00 a.m. News. 12.00-12.30 a.m. News. 12.30-1.00 a.m. News. 1.00-1.30 a.m. News. 1.30-2.00 a.m. News. 2.00-2.30 a.m. News. 2.30-3.00 a.m. News. 3.00-3.30 a.m. News. 3.30-4.00 a.m. News. 4.00-4.30 a.m. News. 4.30-5.00 a.m. News. 5.00-5.30 a.m. News. 5.30-6.00 a.m. News. 6.00-6.30 a.m. News. 6.30-7.00 a.m. News. 7.00-7.30 a.m. News. 7.30-8.00 a.m. News. 8.00-8.30 a.m. News. 8.30-9.00 a.m. News. 9.00-9.30 a.m. News. 9.30-10.00 a.m. News. 10.00-10.30 a.m. News. 10.30-11.00 a.m. News. 11.00-11.30 a.m. News. 11.30-12.00 a.m. News. 12.00-12.30 a.m. News. 12.30-1.00 a.m. News. 1.00-1.30 a.m. News. 1.30-2.00 a.m. News. 2.00-2.30 a.m. News. 2.30-3.00 a.m. News. 3.00-3.30 a.m. News. 3.30-4.00 a.m. News. 4.00-4.30 a.m. News. 4.30-5.00 a.m. News. 5.00-5.30 a.m. News. 5.30-6.00 a.m. News. 6.00-6.30 a.m. News. 6.30-7.00 a.m. News. 7.00-7.30 a.m. News. 7.30-8.00 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by B. A. YOUNG

Radio 3

by DOMINIC GILL

liseum

by CLEMENT CRISP

ther Tetley work new to a. *Greening*, was also in light's triple bill. It uses cores by Arne Nordheim, Messiaen and Beethoven. *Greening* and its *afro* and *Greening* and its *afro* is *Waiting for Rain*, its something of a geographic theme. In a

by WILLIAM PACKER

Festival Hall

by MAX LOPPERT

King's Head

by MICHAEL COVENEY

Someone sensibly refers the company to the reflection of an elaborate, psychedelic accountant whose theory is that the state of affairs is difficult, even impossible, to achieve as it requires that all parties arrive simultaneously at the same point of decision and abandon this premise accepted, the quartet relaxes despondently in Glen Miller's place on the Gramophone. Quite unexpectedly, in the Mood" does the trick

The Dance Theatre of Harlem returns to England in July for a two-month tour, visiting Manchester, Newcastle and London. They will play two weeks in Manchester at the Opera House, beginning on July 4. On July 20 they begin a two-week season at the Theatre Royal, Newcastle, and after a week's break they will come to Sadler's Wells Theatre in London, where they will appear from August 11-26.



The Contemporary Art Society hope that some enterprising gave him further opportunities curator will bring it to London

by MICHAEL COVENEY

Arts

by DEBORAH PICKERING

drawn eccentric professor. Brian Forster hilariously absurd as a one-time stage idol and John Curless brilliantly doubles as the ineffectual, comic - reading Minister and grinning television producer. The BBC TV studios were responsible for the absolute new of a television insert.

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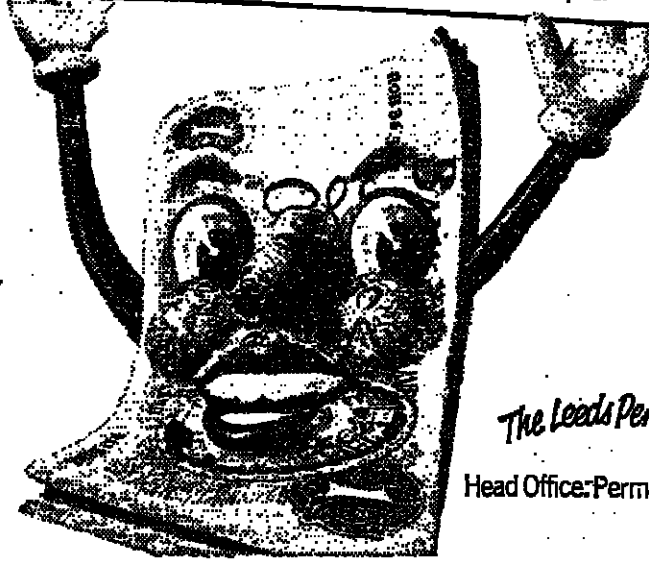
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WORLD TRADE NEWS

Bonn remains opposed to commodity price package

BY ADRIAN DICKS

BONN, May 24.

THE WEST German Government appeared to be standing firm on its opposition towards the package of commodity price agreements demanded by the developing countries at the United Nations Conference on Trade and Development (UNCTAD) in Nairobi.

At the end of a two-hour special Cabinet meeting called to decide Bonn's policy for the closing week of the conference, it was believed that at most West Germany would once again offer case-by-case agreements with individual developing countries.

Earlier to-day the West German Chancellor, Herr Helmut Schmidt, warned in blunt terms that indexation of raw material prices up to the export prices of industrial goods would invite a new surge of world inflation.

Speaking at the International Mining Exhibition in Düsseldorf, he emphasised West Germany's

acceptance of the sovereignty of the developing countries over their raw material resources, but argued that this sovereignty carried with it a responsibility towards the entire world community. Failure to act responsibly

in the exercise of commodity power would, in the end, be most damaging to the poorer countries themselves.

Details of the policy laid down to-night for the West German delegation at Nairobi were not known. A brief official statement said only that Herr Egon Bahr, the Co-operation Minister, was on his way back to Kenya, and that Herr Hans Friderichs, the Economics Minister, would

UNCTAD '76

German fears of new inflation

BY OUR OWN CORRESPONDENT

BONN, May 24.

WEST GERMANY, usually unwilling to risk diplomatic isolation, has been taking a hard line against the views of the Third World at Unctad in Nairobi. The Lome Agreement concluded with 46 mainly African countries last year, among the many novel features of this, the Germans like the principle of an earnings guarantee for poorer countries, and believe that this mechanism should be used more extensively.

The Manila declaration adopted by the Third World as its basic platform at Nairobi, and specifically its call for an integrated commodity programme and for a global solution to the debt burden problem, cuts right across the Lome approach, as the West Germans see it.

On commodity agreements, the basic West German objections

are three. The agreements would be astronomically expensive to set up, it is felt here, and would thus tie up in buffer stock financing large sums of money that would be better handed over to the supposed beneficiary nations directly. Further, past experience of commodity price pacts does not encourage West German economists to think the Manila integrated scheme would work any better.

Finally, the West Germans see the setting up of worldwide price agreements as benefiting primarily the developed raw material exporters just as much, if not more, than the Third World producers. The Federal Republic is the third largest purchaser of raw materials, after the U.S. and Japan. Yet its main suppliers are other developed countries.

Greek bid for \$700m. Egypt ship order

BY OUR OWN CORRESPONDENT

ATHENS, May 24.

GREEK shipyards may undertake an ambitious shipbuilding programme worth more than \$700m. in 1976 under a long-term bilateral trade agreement on behalf of the Egyptian Government. It would be the biggest single order ever won by a Greek shipyard.

The deal hinges on talks Greek yards will have with executives of Intrafin, of Canada, who are due in Athens shortly. The Montreal-based Intrafin has

agreed to give Egypt a \$500m. loan to finance the shipbuilding programme. The deal would involve the supply of 57 ships totalling 671,000 tons by 1980. The Egyptian Government will put up 30 per cent of the value of the ships, which include freighters of between 4,000 and 12,000 tons, and tankers of between 35,000 and 45,000 tons—tonnage in which Greek yards specialise.

Greek yards interested in the project include Hellenic Shipyards, which belong to shipping tycoon Stavros Niarchos, Eleusis Shipyards, which belong to banker-industrialist Stratis Andreadis, Neorion Shipyards, belonging to shipowner N. J. Goulandris, and a group near Piraeus jointly known as the Perama Yards.

Trade exchanges between Greece and Albania will total \$16.5m. in 1976 under a long-term bilateral trade agreement signed in Tirana on May 21 and ratified in Athens to-day.

The five-year agreement was negotiated by a delegation led by the Greek Minister of Commerce, Ioannis Varvitsiotis.

Under this year's protocol, Greek exports to Albania will include metallurgical products, chemicals and pharmaceuticals, shoes, and razor blades. Main imports from Albania will be asphalt, caustic soda, copper, and copper products, sulphur and electricity.

The first commercial agreement for three years—between the two countries was signed in 1972. In 1973, Greek exports from Albania totalled \$5,889,000, in 1974 they fell to \$3,578,000, and last year rose to \$6,525,000. Greek exports to Albania totalled \$3,561,000 in 1973, rising to \$4,204,000 in 1974 and 1975.

In another deal Greece to-day bought 24 trolley buses from the Soviet Union.

EEC close to accord on public tenders

BY A. H. HERMANN

BRUSSELS, May 24.

THE Official Journal of the EEC, so far mainly devoted to agriculture, may soon become compelling reading for industrial management looking for public tenders on offer throughout the Common Market. This is likely to be the result of new EEC rules which will make it more difficult to give preference to domestic industry in public tenders and will require that other Common Market suppliers have at least an equal opportunity when larger contracts are considered.

As M. Fernand Braun, Director-General for the Internal Market of the EEC, told the Financial Times, the final agreement on a Council directive for the co-ordination of public tenders could well be reached within the next fortnight. The Council directive would then be made in two months, requiring member states to introduce appropriate statutory measures within a year.

The only point of difference remaining to be worked out seems to be the threshold of size at which contracts become subject to EEC rules.

The EEC Commission, which originally wanted all public tenders over 100,000 units of account (one unit of account equals the pre-Swiss franc 120) to be opened to all EEC suppliers on equal terms and effect.

later in March 1976 increased this threshold to 170,000 is now talking about a figure of 200,000, having thus come much closer to the 250,000 figure put forward by the U.K. delegation. The only other member state which did not yet agree to the 200,000 threshold was Denmark which insist on the original figure of 100,000 because it wishes to secure access to the public sector market for its small industries.

The directive which would make it obligatory to report tenders reaching the threshold figure in the official journal of the Community would apply to about 1 per cent of U.K. public tenders but, of course, to a much bigger proportion of public procurement in terms of money. According to latest figures available to the Commission out of 54,000 public contracts placed in the U.K. in a year, 580 were above the proposed threshold of 200,000 units of account.

Because of the uneven rate of inflation, the Commission argues, the same threshold gives greater than average protection to local industry in Britain and Italy and less than average protection for German industry. Moreover, member governments now realise, said Mr. Braun, that the opening of public tenders to all Common Market suppliers would have a beneficial anti-inflationary effect.

layed through a heated polemic among interested parties. A fourth, car companies, the facilities left by French Citroën will be operated by the Government, but it will be offered to private investors.

There will be no price control of the assembly plants and imports of passenger cars will be taxed at 115 per cent of the value during the next three years. Tax levels will decrease gradually down to 55 per cent in 1983. The use of local parts will start at 35 per cent and will increase to 60 per cent by 1979.

Saudia orders three more TriStars

By Lorne Barling

LOCKHEED has received an order for three Rolls-Royce powered TriStar airliners from Saudi Arabian Airlines (Saudia). The aircraft will cost \$55m, of which engines and spares will amount to more than \$13m.

Total deliveries and orders for the TriStar now amount to 210 and Rolls-Royce (1971) has now sold RB-211 engines valued at \$236m. to overseas operators since the aircraft entered service four years ago.

The three aircraft for Saudia will all have the increased Rolls-Royce RB-211-524 engines of 50,000 thrust, which was specially developed for the longer range TriStar. The order will bring Saudia's fleet of TriStars to nine.

The RB-211-524 engine is now on test at Palmdale, California, flying on Lockheed's development TriStar, and has been tested at Mach 0.9 at heights of up to 35,000 feet. It is also being developed for use on the Boeing 747.

Rolls-Royce said yesterday: "Both these test programmes are progressing well and are important to the long term development of the RB-211 engine."

Somalia \$4m. generator deal

A \$4m. order for four diesel generators each developing 6,000 horse power for the new power station at Mogadishu in Somalia has been won by Mirrlees Blackstone of Hazel Grove, Stockport.

The generators will be sent out at the end of this year for commissioning late in 1977 and early 1978. Other parts will be supplied by British Electrical Motors of Loughborough, both companies being part of the Hawker Siddeley Group.

INDIAN PIPELINE CONSTRUCTION

By K. K. Sharma

NEW DELHI, May 24.

THE INDIAN Government proposes to set up a pipeline construction company to build pipelines estimated to cost Rs.1m. (£30m.) in the next few years.

The biggest job to be entrusted to the new corporation is expected to be the undersea network connecting the Bombay High offshore oilfield, which is being developed by a consortium of Indian and foreign companies, to the coast near Ratnagiri. The pipeline is estimated to cost Rs.1m.

N.V. INDUSTRIELE HANDELSCOMBINATIE HOLLAND

The Extraordinary General Meeting of Shareholders

will be held at 4 p.m. on Thursday, 10th June 1976, at the Head Office, 2, Mercurialestraat, Rotterdam.

Agenda

1. Opening of the Meeting.
2. Reappointment of members of the Board of Directors.
Mr. R. H. van Nierop and Mr. H. Stout are due to retire from the Board by rotation. Both gentlemen have offered themselves for a further period of office. The Board of Directors proposes to reappoint them.
- 2.1 Occasion to nominate persons for appointment to the Board of Directors.

If no nominations are put forward by the Meeting of Shareholders:

- 2.2 Notification by the Board of Directors of its desire to reappoint:
1. Mr. R. H. van Nierop
2. Mr. H. Stout.
Information regarding the persons concerned, as required by Article 50b, clause 3, of the Code of Commerce, and the reasons on the part of the Board of Directors for reappointing them are given in an Appendix to the Agenda. This is available for inspection at the offices of the Company.

3. Closure.

Copies of the Agenda and the Appendix may be obtained, free of charge, by shareholders from the banks listed below or from the Group's Head Office.

Holders of bearer shares wishing to attend the meeting should lodge their shares on or before 3rd June 1976, until after the meeting, at the Rotterdam or Amsterdam branches of the Algemene Bank Nederland N.V., the Amsterdam-Rotterdam Bank N.V., or the Banque de Paris et des Pays Bas N.V., or at the Brussels branch of the Banque de Paris et des Pays Bas Belgique S.A., or at the Paris branch of the Banque de Paris et des Pays Bas, or at the Banque de Joordean, or at the Head Office of the Group in Rotterdam. A certificate of deposit will be issued and will serve as a card of admission to the meeting.

Holders of registered shares wishing to attend the meeting should obtain a card of admission. Applications for these must reach the Board of Management by 3rd June 1976.

THE BOARD OF MANAGEMENT

Rotterdam, 25th May 1976.



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Wells Fargo Bank N.A.



May 1976

AMERICAN NEWS

Scarcely a protester to greet Concordes

Our Washington Staff
WASHINGTON, May 24.

THOUSANDS of people clogged the road to Dulles Airport near here today as they drove out to see the two Concordes come to land. But there was scarcely an anti-Concorde demonstrator to be seen. Young children and cameras, as well as clapped loudly as the two aircraft landed and gain as they taxied into position in front of the control tower to park nose-to-nose. A lady handing out anti-SP leaflets conceded that there had been much less noise than she had expected. "But it still takes off," she added grimly.

Near the runway, only 150 feet from the touchdown, a group of reporters and cameramen watched the landings and heard the deafening roar as the two Concorde aircraft touched down. It was extremely noisy but most reporters agreed that it was only a little worse than the Boeing 707s and 747s which had been coming before the Concordes. The noise was also over very quickly.

Some 500 journalists, according to Federal Aviation Administration estimates, were on hand to record the inaugural flight which was broadcast live on television. Some of them were so caught up with the spirit of the occasion that they asked for the autographs of the two pilots who, going along with the general mood, promptly donated their historic flight plans to the Smithsonian Aerospace Museum in Washington.

Porters had to search for hostile comments about the two aircraft, although there were one or two placards bearing slogans like "Pas ici" or "send it back." One lady, whose house is near the end of the runway, said that she had been "completely captivated" by the aircraft and "pleasantly surprised by its noise level, which she had been ready to oppose. 'I really can't see what all the fuss has been about,' she said.

In one corner of the terminal, a lady handing out leaflets insisted that British Airways had deliberately throttled back the engine of the Concorde to reduce its noise. Captain Brian Alvert, the chief pilot on board the British Concorde, dismissed this charge and said that the aircraft had made a standard landing which was entirely representative of the noise levels it can be expected to make in the future.

Ford successfully woos uncommitted delegates

BY JUREK MARTIN, U.S. EDITOR

AT THE BEHEST of Vice President Rockefeller, 119 members of the previously uncommitted New York State Republican delegation today declared their support for the candidacy of President Ford.

This represents something of a cushion for President Ford on the eve of tomorrow's batch of six primaries, only one of which (Oregon) appears to be leaning in his favour. It comes on the heels of a week-end of hard wooing on the President's behalf of uncommitted delegates. Yesterday 88 of the 103-strong Pennsylvania delegation came out for him, while in four State caucuses Mr. Ford picked up 55 more delegates, compared with just 14 for Mr. Ronald Reagan.

This means that, for the first time in nearly a month, Mr. Ford has regained the lead from Mr. Reagan in the Republican delegate race. Including the New York declaration, a rough count puts him about 125-150 to the good, depending upon whose tallies are used, with about three-quarters of the total convention strength of 2,259 having been chosen.

The President's best chance tomorrow is thought to be in Oregon, but the 30 delegates that Oregon will send to the convention are allocated proportionately to the popular vote which means that Mr. Ford will not get them all.

Kentucky (37) and Tennessee (43) may provide close races, though Mr. Reagan is generally

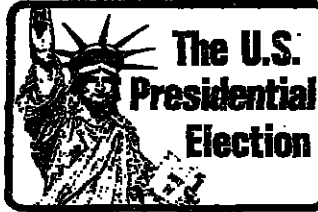
Fed will disclose policy decisions more quickly

BY OUR OWN CORRESPONDENT WASHINGTON, May 24.

THE FEDERAL Reserve Board announced this afternoon that in the future it will make public more quickly key monetary policy decisions taken by its Federal Open Market Committee (FOMC).

Currently there is a 45-day lag between a meeting of the FOMC and release of an account of its discussions. Previously (until early last year) the delay was 90 days. From now on, an account of a given meeting will be made public shortly after the next meeting. Since there is normally a four week gap between meetings—occasionally five weeks—the lag will be reduced.

The Fed has also decided to discontinue its memoranda of discussion, a highly detailed account of FOMC meetings which appear five years after the event.



good so far, which makes its assessment noteworthy.

Mr. Ford may, therefore, remain perhaps 100 delegates ahead of his challenger when all tomorrow's tallies are in. Current estimates are that the June 1 primaries (in South Dakota, Montana and Rhode Island; all small states) will be evenly divided, which will leave all to play for in California, Ohio and New Jersey one week later.

The California delegates' prize of 167 goes entirely to the winner of the popular vote: Mr. Reagan is given a 10-point lead

WASHINGTON, May 24.

considered the favourite. Arkansas (27), Nevada (18), and Idaho (21), have been generally conceded to the Californian. However, in the event of a proportional allocation of delegates, for example, projects only 31 delegates for Mr. Reagan from those two States.

Hypothetically, therefore, when all the primaries are done Mr. Ford may be 50 delegates to the good. Attention will then turn to the few States which are still due to hold local conventions to elect delegates, and to those already elected uncommitted, which now number 30,000 delegates in the Pennsylvania and New York defections—less than 300.

On the Democratic side, Mr. Jimmy Carter is given sizeable leads in Arkansas (28), Kentucky (46) and Tennessee (46). Oregon (34) is a toss up between Mr. Carter, Senator Frank Church and Governor Jerry Brown, who is not on the ballot but is going all out with a write-in campaign. Idaho (16) ought to go to its favourite son, Senator Church. Nevada (16) will probably go to Governor Brown, but in both Idaho and Nevada Mr. Carter is likely to pick up some delegates.

Thus, unless things go seriously astray in the three border states (where the principal competition comes from Congressman Morris Udall and a now half-hearted Governor Wallace), Mr. Carter is likely to widen substantially his delegate lead. He now has about 730 firm pledges, way ahead of Mr. Udall with just under 300.

Additionally, there is a Democratic state convention in Missouri, with 54 delegates, the biggest single prize of all at stake tomorrow. Mr. Carter is heavily favoured to take the lion's share.

The key question now is what Mr. Carter's final total will be. To nominate, 1,505 are needed: if Mr. Carter can be held to under 1,200 it may be tough for him to pick up the balance, particularly if he continues to suffer popular vote primary setbacks.

Meanwhile, Senator Edward Kennedy today expressed the view in a newspaper interview that if Mr. Carter went to the convention with 1,350 delegates pledged to him he should not be denied the nomination. This is a much higher figure than most experts have suggested. (Senator Humphrey, for example, has mentioned 1,200 as the cut-off point). As a result Mr. Kennedy's remarks may be interpreted as reflecting his own misgivings about Mr. Carter and perhaps hinting at his preference that another candidate be selected.

Threat to completion of pipeline

The Trans-Alaska oil pipeline may not now be completed until next spring, the contractors announced yesterday. Reuter reports from Anchorage, Alaska. The 800-mile pipeline, which was due to be completed in November, could have more than 3,000 faulty welds. The Alyeska Pipeline Service Company said that corrective work on more than 10 per cent of the pipeline's 30,000 welded joints may not be complete before the winter. Repair welds and X-ray examination of others may put off completion until next spring.

On May 7 the U.S. Government ordered suspension of work on the pipeline until a system of quality control of its estimated 30,000 welds could be established. Work resumed on May 11 after the Government approved a company plan for checking and certifying each weld.

Canada may buy German tanks

Canadian Foreign Minister Allan Rock yesterday told the Bonn Government that his country had decided in principle to buy about 125 West German Leopard battle tanks. Reuter reports from Bonn quoting Canadian sources. Word of the deal came after talks between the Canadian Minister and his West German counterpart, Hans-Dietrich Genscher.

Argentinian layoffs

The recession resulting from the two-month-old Argentinian military regime's pay-as-you-go economic programme has decided a second subsidiary of foreign car manufacturers to declare lay-offs of its personnel, Robert Lindley reports from Buenos Aires. The five-week closing of Ford's General Pacheco plant just outside Buenos Aires—announced a week ago—begins today. And now Peugeot has revealed that the personnel at its Buenos Aires Province plant were suspended on Friday and that, to reduce production by 25 per cent, there will be identical suspensions every Friday until the end of June.

Prime rate rise seen

By year-end, the U.S. prime rate will be eight per cent, give or take a quarter of a point, according to Mr. Donald Platon, chairman of Chemical Bank, Mary Gampbell writes. He expects the cost of funds to be the major factor in pushing the rate up in the near future with increased bank lending becoming a factor towards the end of the year.

Chile devalues again

Chile has devalued the peso for the third time in three weeks, increasing the rate of the U.S. dollar to 13.00 pesos from 12.70 previously, the Central Bank said in Santiago. Reuter reports.

TURMOIL IN JAMAICA

Manley blames 'destabilisers'

BY CANUTE JAMES, KINGSTON CORRESPONDENT

CHARGES made by the Jamaican Prime Minister, Mr. Michael Manley, that internal and external elements are working to "destabilise" his Democratic Socialist Government, have brought a new element to the Jamaican political scene, now in the state of ferment usual before general elections. Under the constitution they must be held by the end of February.

At the end of a marathon five-hour presentation during the current budget debate, the Prime Minister said that many of Jamaica's troubles over the past six months had been caused by elements opposed to changes being implemented by his Government. There was clear evidence of attempts at destabilisation in what he said were outbreaks of violence in Kingston, "the most incredible and unexplained strikes," organised by the press, articles for newspaper publication abroad, economic squeezes, and the slowing down of aid.

Under normal circumstances, Mr. Manley's charges could be explained away as an attempt to find someone to blame for problems which his Government is finding difficult to handle. The feeling that there is an attempt to interfere from outside is not, however, held by Mr. Manley alone. A week before he spoke, the Barbadian Prime Minister, Mr. Errol Barrow, publicly accused the U.S. of attempting to destabilise the Jamaican and Guyanese Governments because of their friendship with Cuba, and because of their moves to take control of the bauxite industry from U.S.-owned companies.

Before that an attempt was made by the leaders of the Caribbean Community and Common Market (Caricom) to send a message to the U.S. Government condemning what they saw as Washington's interference in the affairs of Caricom member countries. The move went wrong when the Trinidadian Prime Minister, Dr. Eric Williams, refused to support it.

The spate of violence to which Mr. Manley referred has been concentrated in a small part of downtown Kingston—a traditionally volatile area, especially in the region where the constituency controlled by the Opposition leader, Mr. Edward Seaga, borders that of an incumbent Government minister. In recent weeks shootings, firebombings, and arson have spilled over to

the central Kingston constituency of Mr. Manley himself. Security forces have attributed 75 deaths to these incidents since January.

Apparently there is a feeling within the security forces that what started as the usual party political rivalry has gone beyond that stage. The latest incidents are apparently being conducted by a well organised and highly equipped group, with weapons ranging from firebombs and home-made shotguns, to modern rifles and automatic pistols. There is no indication of any race or class basis to the violence.

The security forces have had no more than limited success in handling the situation. The dusk to dawn curfews which were reimposed at the beginning of last week have brought a tense calm to the streets of the trouble spots. One night when it was lifted, a band of masked gunmen set fire to an old apartment building in the Prime Minister's constituency.

When Mr. Manley referred to "unexplained" strikes, that was his interpretation of what has been happening in industrial relations in Jamaica in recent months. The strikes have had a debilitating effect on the island's entire alumina industry—with a rated capacity of nearly 3m. tons a year—was not producing. Strikes have also hit the national airline, Air Jamaica, the Kingston waterfront, and the railways. At the local subsidiary of the Metal Box company a strike of factory floor workers was followed by one of supervisory staff. That cost the Jamaican economy \$355,000 in exports, a heavy blow to an already struggling economy.

Ironically, most of the strikes have occurred where the workers are represented by the National Workers' Union, which is affiliated to Mr. Manley's Government. Judging by what the Prime Minister had to say, he must feel that there are trouble-makers who have infiltrated with the intent of causing the strikes. At times, the union has been helpless in trying to get a resumption of work.

When the first outbreaks of violence occurred in Kingston in January, the bottom almost fell out of the tourist industry. Government circles put the blame squarely onto the international—and in particular American—press. The U.S. is Jamaica's major source of tourists.



Mr. Michael Manley

Articles in the U.S. Press have dealt with Jamaica's growing relations with Cuba, on the one hand, and with domestic developments on the other. The Government claims that these articles have exaggerated on purpose—that they gave a mistaken view of Cuban involvement in Jamaican developments, and the technical exchange schemes between both islands, and that they have given the impression at times that violent incidents have taken place all over the island.

The Jamaican leader did not go as far as his Barbadian colleague in blaming any particular country for the problems. Whereas Mr. Barrow directly blamed the U.S., Mr. Manley more guardedly said that it was of the nature of destabilisation that its source could not be proved. But he has claimed that a hostile campaign started in the American Press after Jamaica had stood behind Cuban troops being sent to support the MPLA in Angola.

There is no denying that the Jamaican economy, suffering from reduced earnings last year from bauxite, alumina, and tourism, and with poor forecasts this year for both, and for the other main foreign exchange earner, sugar, has been almost under a state of siege. Mr. Manley's claim about a slowing down of aid can be traced to the fact that the Government last year expected about \$77m. in foreign borrowings, but succeeded in raising only \$38m.

The opposition leader, Mr. Seaga, immediately denied that his party had in any way attempted destabilisation. His Jamaica Labour Party read into Mr. Manley's statements an attempt to justify imposing a state of emergency, thereby postponing the general elections.

Whether that would be in the interest of the Manley Government is debatable. Political pundits here predict that the Manley Government seems headed for another term in office, although with a reduced Parliamentary majority.

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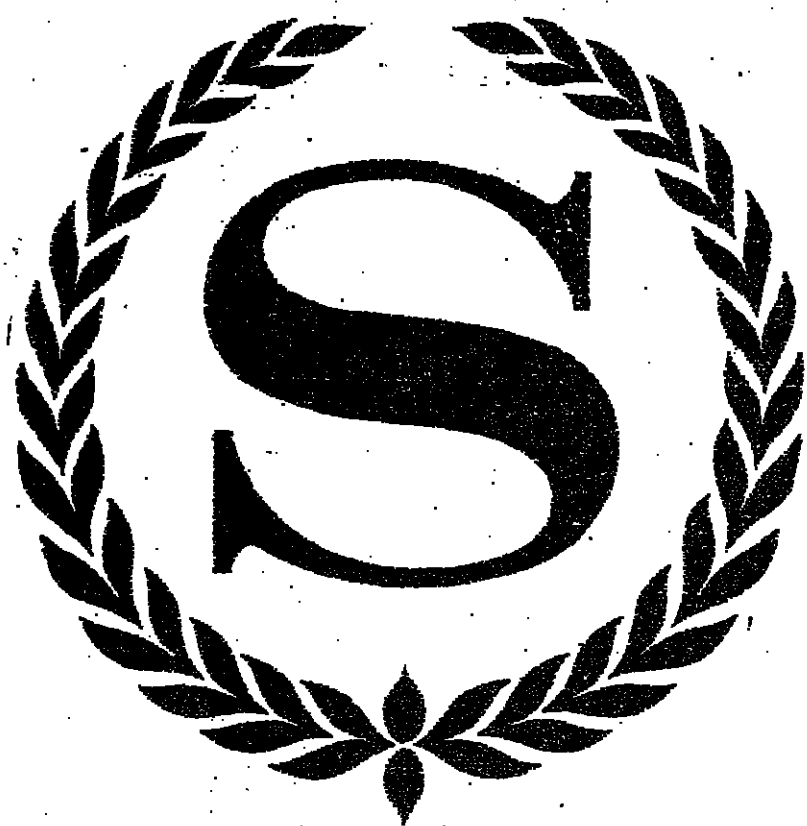
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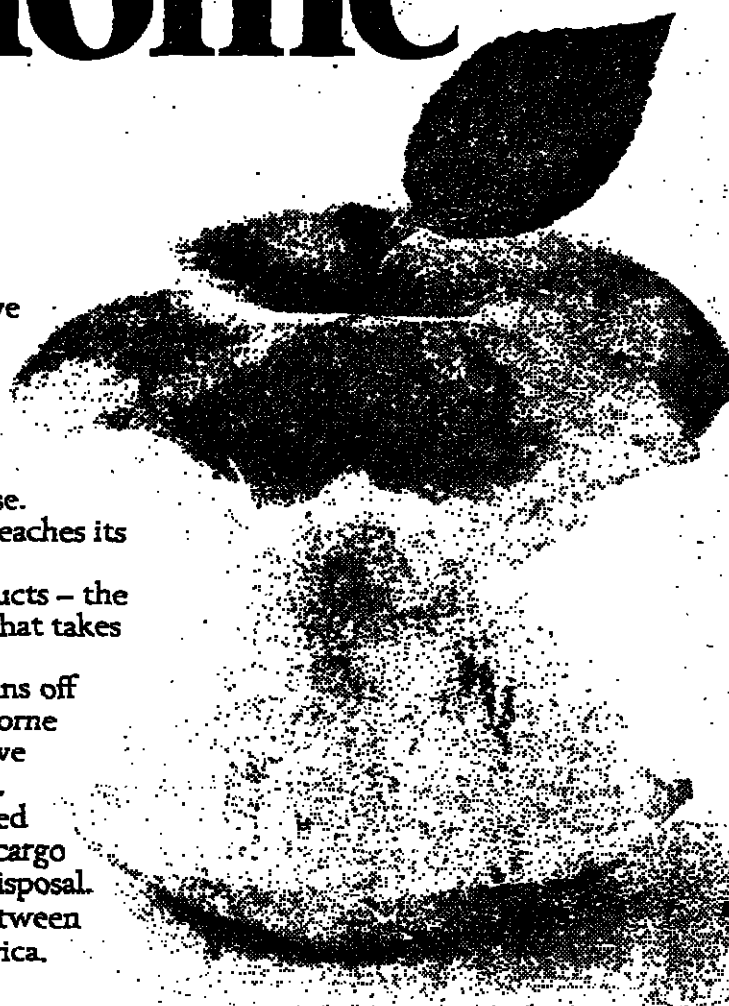
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EUROPEAN NEWS



Dr. Helmut Kohl

Attack on Schmidt at CDU conference

By Adrian Dicks

BONN, May 24.

THE OPPOSITION Christian Democratic Union (CDU) opened its party conference in Hannover today with a sharp attack by its leader, Dr. Helmut Kohl, on Chancellor Helmut Schmidt, and amid newly confident predictions that the CDU can return to power in Bonn on October 3.

In what promises to be an election campaign devoid of major policy differences between the two major parties, Dr. Kohl set the tone by criticising Herr Schmidt on a personal level. He accused the Chancellor of "hostility" and "fixating in the air" left to him by his predecessor, Herr Willy Brandt.

In foreign affairs, said Dr. Kohl, the Chancellor was giving "schoolmasterish" homilies instead of practicing meaningful international solidarity.

Dr. Kohl claimed that the Social Democratic (SPD)—Free Democratic (FDP) coalition had reached a point where it was now resigned to major losses in the October elections. By throwing in its lot with a coalition of losers, he said, the FDP had shown it was content to be no more than "the fig-leaf for the Socialist nakedness of the SPD."

The CDU leader claimed that the coalition had no right to take the credit for the recovery of the German domestic economy. This properly belonged, he said, to the good sense of average Germans, the self-restraint shown by the two sides of industry and the "self-healing capacity" of the social market economy.

Dr. Kohl's speech, received to loud applause by the assembled delegates, reflected his rising personal popularity as an alternative to Herr Schmidt, together with the party's cautious optimism that the country just might be ready for a change in October. Privately, top CDU Party managers now put the chances of victory as high as 50-50—a figure that the CDU itself would have considered wildly fanciful only six months ago.

However, Dr. Kohl appears wary of too overt an attack on the "socialist" nature of the SPD-led coalition, well aware that this could backfire. The CDU has already yielded to pressure by toning down its campaign slogan from a blunt "freedom or socialism" to a slightly more muted "freedom instead of socialism"—though for most Germans even this is probably to over-dramatise the choice.

Communists in Italy praise Nato

ROME, May 24.

THE Italian Communist Party has praised the North Atlantic Treaty Organisation Foreign Ministers for keeping silent on Italy's election campaign. The official party newspaper L'Unita contrasted yesterday the Nato Ministers' policy of "non-interference" with repeated statements by U.S. leaders opposing any share of government power for the Italian Communists.

"Is it important because, even beyond the 'Italian case', it is on the principle of non-interference that the internal relations of the alliance must be based," L'Unita said. "It is positive because in the specific case of Italy, as in general, an interference by Nato would have created an inadmissible and intolerable situation in the course of an electoral campaign."

In a front-page article L'Unita said that the attitude of Nato Foreign Ministers offered a starting point for debate on the consequences of "a possible participation of the Communists in the Italian Government as in other European countries."

The newspaper reiterated the party position that it would not seek to disrupt the present equilibrium in Europe by "a unilateral withdrawal of Italy from Nato" and underlined its contention that it "condemns its own autonomous policy."

According to U.S. leaders of planning "to build a wall of isolation" around Italy if the Communists join the Government, the newspaper said it was clear that the other Nato countries were at odds with this policy. This, it said, could have an effect on the U.S. attitude toward Italian politics.

UPI

Lecanuet presides over pro-Giscard party merger

BY ROBERT MAUTHNER

PARIS, May 24.

TWO OF France's multifarious centre parties have joined forces in a first step towards the formation of what is hoped will be a powerful pro-Giscard centrist grouping, strong enough to face both the challenge of the Left and the Gaullists in municipal and parliamentary elections within the next two years.

The new party, to be known as the Social Democratic Centre, is composed of the old Centre Democrats and the Centre Démocratique et Progressif (CDP), both of them members of the present coalition government. It will be led by M. Jean Lecanuet, the Minister of Justice.

As M. Lecanuet made clear at the inaugural congress yesterday, the new party, which has adopted a programme in line with President Giscard d'Estaing's social reform policies, aims to forge a

strong electoral alliance with the Independent Republicans, the Giscard's old party, and M. Jean-Jacques Servan-Schreiber's Reformists.

President Giscard himself has never made a secret of his desire to see such a regrouping of the centre and there can be little doubt that he has been behind the current moves. Equally, he will almost certainly put pressure on the Independent Republicans to respond positively to the new party's overtures.

Apart from the French president's views on the subject, several reasons are behind the centre parties' uncharacteristic unifying moves.

The recent success of the Left in local elections has made all Socialist and Communist parties making up the coalition are naturally contemplating the prospect with some relief.

development to commercial operation of the fast breeder reactor which would enable the world to spread its uranium resources over a period of centuries rather than decades.

Sir Peter Menzies, chairman of the British Electricity Council and president of UNIEPE, said: "We are in an industry which now is hungry for capital."

All the energy sources which it may be possible to explore in the future have been examined by UNIEPE committees before the conference assembled. Europe can no longer rely upon fossil fuels as a basis for its future development, these experts have reported.

Fossil fuels are likely to become more costly and less secure, the conference decided in a full statement to-day. Other novel energy sources have been either discounted by UNIEPE for the foreseeable future or dismissed altogether. The techniques of employing renewable sources of energy such as solar, tidal, wind, and wave power are considered not yet developed other than in minor applications, so that such sources were not likely to make a material contribution to Europe's needs for electricity for the next few decades at least.

Reuters writes from Kampala: Uganda's President Idi Amin has asked President Ford to clarify Press reports that the U.S. is considering selling nuclear reactors to South Africa.

"The U.S. owes an explanation to the world," President Amin said. "Otherwise we shall call for this serious issue to be examined in the appropriate international forum."

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Kissinger talks in Sweden 'amicable'

By John Walker

STOCKHOLM, May 24. RELATIONSHIPS between Sweden and the U.S., which have been in the doldrums, now look at the very least to be on the mend following the two-day official visit to Stockholm of Dr. Henry Kissinger, the U.S. Secretary of State. At a news conference today Mr. Kissinger said that he hoped he would not put Mr. Olof Palme, the Swedish Prime Minister, in a difficult position by saying that they had had very amicable discussions during their two and a half hour long meeting.

The talks, Mr. Kissinger said, ranged over a wide spectrum and included discussions on East-West relationships, developments in Africa and Europe, as well as talks of a philosophical nature. Mr. Kissinger said that Sweden's policy of neutrality enabled her to talk direct to a number of countries some of which the U.S. could not so approach. Just prior to the U.S. Secretary of State's arrival last night, some 13,000 demonstrators marched from the centre of Stockholm to the American Embassy some two miles away, protesting at the U.S. involvement in the Far East and other areas. Extensive security precautions were taken and so far there have been no violent disturbances.

Reuter adds: At a news conference, Dr. Kissinger conceded to a Swedish questioner: "One would have to say in retrospect that grave mistakes were made. One would also have to say that the American people supported (the war) in the belief that the freedom of other peoples depended on it."

It was an extremely painful period in which many Americans tried to do what they thought was best for the United States, indeed what they thought was best for other peoples."

In addition to its constant opposition to the war in Vietnam, Sweden provided refuge for American servicemen and others fleeing conscription. At this news conference, Dr. Kissinger reported continuing disagreements with Sweden over their analyses of recent events in Angola.

He also indicated disagreement over his domino theory—that a Communist success in the June 20 Italian elections could lead to Communist participation in other West European Governments.

Communist leader likely to be freed

MADRID, May 24.

A Spanish judge authorised today the release from prison of three opposition leaders including Sr. Marcelino Camacho who were arrested on March 29 on charges of trying to change the form of Government in Spain.

Sr. Camacho's wife, Josefina, said the 57-year-old Communist labour leader would be leaving suburban Carabanchel prison tomorrow morning after his lawyers put up bail of 100,000 pesetas (about £750). He should be home for lunch, Mrs. Camacho said.

The three were arrested in Madrid shortly before they were to participate in the presentation of a new opposition alliance, the Democratic Coordination. A fourth man, lawyer Antonio Garcia Trevijano, was arrested at the same time. It was not immediately known why today's decision did not affect him.

Sofico property heads jailed

BY ROGER MATTHEWS

MADRID, May 24.

THE PRESIDENT and the managing director of the Spanish property and investment company Sofico, which collapsed spectacularly at the end of 1974 affecting many thousands of shareholders in Spain and Europe, have been jailed by an investigating judge pending charges of fraud.

Sofico, with its string of associated companies, built up sales outlets during the late 1960s and early 1970s throughout Spain and several European countries including Britain.

The company offered a guaranteed 12 per cent net return on investments in holiday flats and houses in Spain with shareholders having the right to live in the properties. They were "purchasing" for two weeks or a month per year.

Built on a "pyramid" structure, Sofico appeared to be thriving during the boom period in Spanish tourism, but in 1973 rumours about the company's health grew steadily.

When the Madrid Government imposed controls on the content of financial advertising in the October of that year, Sofico quickly dropped its claim to pay

12 per cent net interest and despite a massive publicity campaign to assure shareholders and would-be investors that all was well the first of the subsidiary companies announced that it was suspending payments at the end of November, 1974.

The rest of the companies followed quickly with some

The Spanish Government yesterday demilitarised the State railway system (RENFE) which was put under military command on January 19 to avert a threatened strike during a wave of labour unrest, reports Reuter from Madrid.

Financial sources claiming that the total indebtedness of the company was around £100m.

Apart from the president of the company, Senor Eugenio Peydro Salmeron, and the managing director, his son Senor Eugenio Peydro Brillas, who are now in jail, the two investigating judges have interviewed other members of the board including Lt-Gen. Rafael Cabanillas Prosper who is a former Chief of the Army General Staff.

Malta sterling proposal

BY GODFREY GRIMA

MALTA, May 24.

A RETURNED Nationalist Government would waive pegged exchange rates to induce Maltese investors to repatriate their sterling holdings intact.

Addressing a party rally yesterday, opposition leader Dr. George Borj Olivier said his party was concerned with the future of Maltese investments in the U.K. Repatriation at the moment, with sterling being discounted at 29 per cent below the Malta pound, was out of the question. The

Nationalist Party has already worked out plans to discount repatriated sterling funds at par with the Malta pound.

The Maltese are believed to have £200m. deposited in Britain. A voluntary repatriation scheme launched by the Government in February appears to have had little success with, according to one report, only some £250,000 having been repatriated. At the same time capital exports, largely to the U.K. have maintained their trend.

Turkey offers plan for talks

BY METIN MUNIR

ANKARA, May 24.

TURKEY HAS proposed periodic and institutionalised meetings between its Foreign Minister and that of Greece as a method of reducing tension between the two countries.

The Foreign Ministry announced here this evening that "the high-level contacts between Turkey and Greece must be institutionalised." This would be useful for the reduction of tension between the two countries and would enable results of talks between the countries' technicians to be reviewed.

The Foreign Ministry said that Turkey maintains the hope that the details of such a method could be agreed upon in talks between the two countries.

Diplomatic sources said that this proposal was officially made by Turkish Foreign Minister Mr. Caglayangil to his Greek counterpart, Mr. Botsis, in their talks in Oslo last week. The Greeks had neither accepted nor rejected this proposal leaving the door ajar. "We want to push this door open," a senior Turkish diplomat said.

Turkey and Greece are engaged in talks over apportioning the economic potential of the Aegean Sea and the control of flights over it. So far no progress has been made.

Greek strikers oppose Bill

ATHENS, May 24.

THE U.S. Embassy, target of anti-American protests in recent months, was heavily guarded tonight as several thousand striking workers staged a mass rally against a draft Bill on trade unions.

Armed policemen supported by armoured cars threw a cordon around the embassy as the workers gathered in an Athens theatre a few miles away.

Strong police forces also guarded public buildings and the road leading to Parliament and the American embassy to prevent the strikers from staging a march.

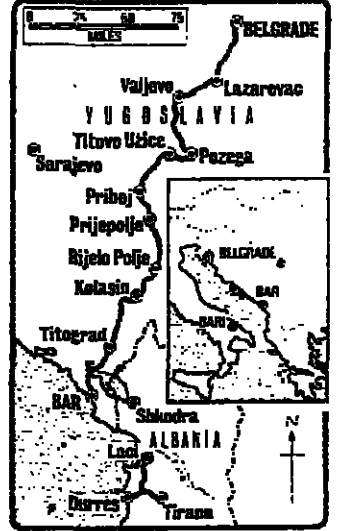
About 150,000 workers went on strike today against the Government, which they consider restricts their rights, including the right to strike for political reasons.

Banks, foreign airlines and transport were badly affected. The strike, due to end tomorrow night, is the first major industrial unrest facing the Government.

THE BELGRADE-BAR RAILWAY

A dream comes true

BY ALEKSANDAR LEBL, BELGRADE CORRESPONDENT



AT MIDNIGHT on May 29 when summer train schedules come in all over Europe, regular service will start on the new Belgrade-Bar line in Yugoslavia. A dream, more than a century old, will have come true and new vistas will open for the wild regions which the line serves and for the people who live there.

It could even form the link to join up the isolated Albanian railway with the European network for the first time.

The idea of constructing a railroad between Serbia and the Adriatic was first proposed in the mid-19th century. In the last decade of that century a line was sketched which should have started at the Danube port of Titovo Uze and Tirograd. There are two tunnels of almost four miles each, and seven more that are shorter. There are also 204 bridges and viaducts of all together more than nine miles in length. The lowest point is at Bar, ten feet above sea level; the highest is 3,400 feet up. The steepest gradient is one in 40.

For the moment only one part of the line is electrified and until more electric installations are built diesel engines will provide the main traction. Modern signalling equipment will be added.

The importance of the Belgrade-Bar railway is that it provides a direct outlet to the Adriatic for the whole of Macedonia, Serbia proper, Kosovo, Montenegro, most of Yugoslavia, and also the neighbouring Bulgaria, Rumania and Hungary. The port of Bar is Yugoslavia's southernmost and could alleviate the burden on northern ports like Rijeka and Koper.

Of equal importance is the access gained to hitherto unexploited natural resources.

Work on the rest started early this decade. Many tunnels had to be bored and bridges built. Almost a quarter of the line is in the 60 miles of tunnels, but the route is even higher between Titovo Uze and Tirograd. There are two tunnels of almost four miles each, and seven more that are shorter. There are also 204 bridges and viaducts of all together more than nine miles in length. The lowest point is at Bar, ten feet above sea level; the highest is 3,400 feet up. The steepest gradient is one in 40.

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Of equal importance is the access gained to hitherto unexploited natural resources.

They include forests, iron, nickel, bauxite, lead, zinc, copper, chrome, antimony, nonmetals such as bentonite, refractory clays and asbestos, as well as coal. The railroad will enable these raw materials to be exploited and processed locally.

The line will also give a boost to tourism. It goes through beautiful and impressive mountains, crossing several rivers and lakes, and will bring the southern Adriatic resorts closer to tourists from inland towns. Eventually it will take six or seven hours to travel from Belgrade to Bar.

The port of Bar has been enlarged and dredged to receive bulk-carriers up to 60,000 dwt and tankers up to 80,000 dwt and to handle 4.5m. tonnes of cargo a year. The Danube port in Belgrade has also embarked upon an ambitious programme of expansion in preparation for the time when the Rhine-Main-Danube, Oder-Danube, and maybe Danube-Aegean sea canals are finished.

Various possibilities are being explored to enhance the importance of the Bar-Belgrade line. One of them is to connect Bar and the Italian port of Bari across the Adriatic with ferries, boats carrying complete trains. Southern and Central Italy would thus get a quick link

with Yugoslavia and some East European countries. The possibility of linking the Albanian railways with European networks is a more remote prospect. One of the first post-war studies for the Adriatic railroad, while Yugoslav-Albanian relations were still cool, was envisaged connecting the systems of the two countries. When relations deteriorated that idea was abandoned.

Now it seems again that a link will be created. The Albanian line from Durres to Tirana in Albania reaches to the north as far as the River Mati. From there Albanians have been building bridges and other installations to extend it to Shkoder, near the Yugoslav border. From Shkoder the line could go north and join the Belgrade-Bar line near Tirograd. Though at the moment there is not much talk about the idea, there is confidence on both sides that this will materialise. The forthcoming Albanian Five-Year Plan for 1976-80 could shed more light on that.

Oil search off Greenland coast

COPENHAGEN, May 24.

OIL EXPLORATION off the coast of Greenland is expected to begin next month.

The TGA-Greco Group, plus a French partnership of Total and Agip, together with Gull and Greco, which is a consortium of Danish industrial interests, are doing the initial exploration. Total will act as operator for the group, a role the French company has performed during three years of tricky offshore drilling along the Labrador coast.

Total will use the Pelican, one of a handful of specially equipped drilling ships capable of operating in Arctic waters. To drill a single test hole in nearly 800 feet of water.

Location of the hole is in an area about 80 miles off the mouth of the Sonderstrum Fjord, nearly half way up the west

coast of Greenland in the Davis Strait, to which Greenland belongs, opened up the Greenland Shelf for leasing in 1974. In 1975, exploration leases on 46 blocks were awarded to six oil groups. TGA-Greco got 13 blocks and is the first group to schedule a test hole. Other groups are expected to start drilling the first half of May, but heavy ice in the Davis Strait forced a postponement until early June. The drilling team wants a surface at least 80 per cent clear of ice before it will start operations.

The Pelican will not need to put down a lift. Instead "dynamic positioning" devices, which operate much as a child's top, will be used to keep the ship in position. An important helper will be an escort vessel whose main job will be to lassu smaller icebergs and tow them to a safe distance.

An iceberg "profile" team aboard this vessel will circle around a floating berg using an underwater television camera. The six leasing groups have an initial period of 10 years to explore the first group to schedule a test hole. Other groups are expected to start drilling the first half of May, but heavy ice in the Davis Strait forced a postponement until early June. The drilling team wants a surface at least 80 per cent clear of ice before it will start operations.

The big problem will be mammoth icebergs that can drag the sea bottom and tear out oil installations.

A possible solution may be to sink the test hole and then reach of the drifting ice. But this technique has yet to be perfected.

The Queen and Prince Philip toured the Maritime Museum in Copenhagen, marking the first visit to the islands by royalty since the Russian Czars. The Britannia was to arrive in Helsinki on Tuesday for the start of a four-day State visit to Finland by the British monarch. The Queen flew to Marchann — an official part of her Finnish visit — and en route exchanged messages with the British Concorde making its inaugural flight to Washington, a Buckingham Palace official said.

Queen starts Finnish tour

FINLAND, May 24.

QUEEN ELIZABETH and Prince Philip sailed in the Royal Yacht Britannia today for Helsinki after touring the Maritime Museum and taking a 10 minute walk among the crowd of 1,500 persons, marking the first visit to the islands by royalty since the Russian Czars.

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OVERSEAS NEWS

Beleaguered Miki wins nuclear treaty ratification

BY PETER DUMINY

TOKYO, May 24.

JAPAN TO-DAY became the 98th country to ratify the nuclear non-proliferation treaty, in what might be seen as one of the most solid achievements of the administration of Prime Minister Takeo Miki—and probably one of its last. Beset by a series of political problems, stemming largely from the complex composition of Japan's political parties but also from the Lockheed affair, Mr. Miki seems unlikely to last out the week as Prime Minister.

The treaty's ratification was approved today by the house of councillors (upper house) on the last day of the current session. Japan signed the treaty six years ago, but ratification promptly became a political football, both within the ruling liberal democratic party and between government and opposition. In the final vote, however, only 33 councillors out of a House of 252 failed to rise in their seats (the method of signifying assent).

The opposition consisted of the 20 Communist councillors and 13 Right-wing members of the LDP. The Communists are staunchly against nuclear weapons, but claim that the treaty represents an attempt by the nuclear powers to dominate the rest of the world by means of a nuclear monopoly. The opposition generally, including the pacifistic Socialists (62

councillors), took this line until recently.

Right wing opponents of the treaty have on the whole not been public advocates of Japanese nuclear armament, though that is obviously understood to be at the back of their objections. The 13 LDP rebels sent a letter to the Speaker of the Upper House to-day complaining that the treaty would bind

NEW YORK, May 24.

Perhaps as many as 130 prominent Japanese, including a number of Government officials, have been implicated in the Lockheed pay-off scandal, according to the U.S. news magazine Newsweek.

Newsweek reported that a Washington investigator told a high-level Japanese delegation that evidence compiled by the U.S. Securities and Exchange Commission would be handed over to the Japanese Government.

Japan for more than 20 years and that its defence, technological and economic aspects had not been studied by House committees.

They added that they would seek to obstruct any future amendments of laws required to give effect to the treaty. This is opinion appears to be solidly on his side.

Saudi-Iran talks likely to include Gulf issue

By Robert Graham

TEHRAN, May 24.

KING KHALED arrived here to-day for a four-day official visit, accompanied by his Defence and Foreign Ministers. The visit underlines Iran's continued desire to establish a solid working relationship with its Arab neighbours.

The Saudi monarch has never before come to Iran and the late King Faisal only made a fleeting visit in 1971. Despite an apparent increasing cordiality, there is still a considerable divergence in their approach to such matters as the security of the area, as well as the ticklish issue of the nomenclature of the "Gulf." When Prince Farah visited here last year, the Saudis were obliged to issue a separate communiqué using the word "Gulf" instead of the Persian Gulf as employed by the Iranians.

The Iranians are anxious to convince the Saudis that their desire for closer regional co-operation and co-ordination is real and does not stem from a desire to dominate the area. In this respect the question of the withdrawal of Iran's 15,000 troops in Oman is likely to be discussed.

Iran is also likely to raise the question of an Egyptian-Syrian rapprochement.

Lebanon Left will seek Arab support against French offer

BY IHSAN HIJAZI

BEIRUT, May 24.

LEBANESE Left-wingers and Palestinian guerrillas are sending delegations soon to Arab countries to canvass their support against the despatch of French forces to Lebanon.

A delegation representing the Left-wing alliance under Mr. Kamal Jumblat was also to call on the French ambassador here, M. Hubert Argod, to hand him a note containing "categorical rejection" of the offer made on Friday by President Valéry Giscard d'Estaing to send two or three regiments here to help in maintaining law and order.

The Left-wingers and Palestinians have come out against the offer in separate statements issued here. The Left said the offer was reminiscent of French Mandate days; the Palestinian statement said foreign military intervention will be primarily aimed against the guerrilla movement.

Warnings

There were warnings from Left-wing and Muslim quarters that if France sent the troops anyway, this would undermine the good position France has achieved in the Arab world during the past decade.

Observers said the warning is not without significance. President Giscard, they noted, will have to calculate his Lebanese Arab world and at home to move very carefully in order not to alienate certain Arab States. President Giscard's offer, Reuter with which France has been reported to be doing big business.

Informed sources expect that that France would become an active participant in the civil war and stressed that troops would be sent only at the express request of that country's legal authorities. This was taken to mean Mr. Sarkis.

A French force would engage in combat solely to maintain a ceasefire and would not go to Lebanon to impose one, informed observers and technicians.

Observers said Mr. Karami is known to favour the presence here of Syrian troops who then, that M. Giscard d'Estaing's initiative, if well intentioned, has been badly prepared.

Fighting

On the ground, the self-imposed truce which went into effect last week appeared to be losing steam. Fighting with mortar and machine guns resumed last night in the capital's commercial centre and the port area, as well as in the suburbs.

There were also reports of heavy fighting around the Christian town of Zablé in the Bekaa Valley in the east, and in the north of the country.

Press quarters put the number of those killed in the past 24 hours at 25, with many more wounded.

In addition 18 people were injured in a clash here overnight between members of the pro-Syrian command group, "Al-Sa'ia", and those of the "Rejection Front" guerrilla faction belonging to the "Lebanese Front".

Meanwhile, the Lebanese people's agony was augmented further when both television stations went off the air. Television is the only entertainment for Lebanese night, when very few people would dare venture out.

Rhodesian guerillas attack rail link

By Tony Hawkins

SALISBURY, May 24.

NATIONALIST guerrillas made their sixth attempt in recent weeks to disrupt Rhodesian rail traffic with South Africa at the week-end when they sabotaged the railway from Bulawayo to Botswana in the south-west of the country. An official communiqué to-day said a diesel engine was damaged but there had been no casualties and trains were running normally.

At the same time, security forces announced that two civilians travelling in a car north of Umtali in Rhodesia's eastern border with Mozambique had been fired upon. One was seriously wounded.

Reuter adds from Lusaka: Zambia's President Kenneth Kaunda to-day spoke of a possible bloodbath in Rhodesia if Prime Minister Ian Smith remained intransigent over majority rule.

The armed struggle being waged by nationalist guerrillas would be intensified and would lead to a bloodbath in Rhodesia, he said on the eve of Africa Freedom Day.

Meanwhile in Paris, African nationalist leader Joshua Nkomo discussed Rhodesia to-day with French Foreign Ministry officials. The talks included discussion of UN ordered sanctions against Rhodesia.

New Zealand Prime Minister Robert Muldoon confirmed to-day that his Government would not approve the export of 14 air trainer aircraft believed to be destined for Rhodesia. Reuter reports from Wellington.

Rabin rejects land plea

Israeli Prime Minister Yitzhak Rabin held a meeting this morning with the committee representing 82 Israeli Arab villages and town councils to discuss a proposal submitted by the committee some weeks ago asking for the abolition of the land sequestration orders in Galilee, writes L. Daniel from Jerusalem.

The committee—which represents 300,000 Arabs living in Israeli-occupied territory or two-thirds of Israel's Arab population—also asked the Prime Minister to establish a commission of inquiry into the events of March 30. Six people died during demonstrations that day against the sequestration orders.

But Mr. Rabin told the committee this morning that the Israeli Cabinet does not intend to rescind the order. He also said that both the military and the police were investigating the events of March 30 and that a new committee of inquiry therefore seemed unnecessary.

Reuter adds from Tel Aviv: Jews living in the Hattiva slum quarter of Tel Aviv kidnapped two television men today and threatened to kill them unless demolition work in their district was halted. Police using tear gas broke into the building where the television men both Israelis, were being held hostage, and rescued them.

At the UN Israel to-day told Secretary-General Kurt Waldheim it favoured the resumption of the Geneva Middle East peace conference with its original participants—meaning without the Palestine Liberation Organisation (PLO), according to informed sources.

Kosygin visit
Soviet Premier Alexei Kosygin will visit Syria early next month, it was announced here in Damascus yesterday, Reuter reports.

Informed sources said Mr. Kosygin would have talks with President Assad and other leaders of the Syrian Arab Republic on the situation in Lebanon and bilateral relations. Mr. Kosygin is expected to leave Damascus for Beirut.

Amin names Asian
President Idi Amin has appointed Mr. Mohamed Said, a British subject of Asian origin, Uganda's Chief Justice. Radio Uganda says the situation in Lebanon and bilateral relations. Mr. Kosygin is expected to leave Damascus for Beirut.

Australia strike
A 24-hour national rail strike left thousands of Australian commuters to struggle home through big traffic jams last night. About 12,000 men came out in a dispute over uranium mining which is opposed by the Australian Railways Union.

Liberia sackings
President William Tolbert of Liberia dismissed Lawrence Morgan, Justice Minister, yesterday, latest to go in a series of sackings of top law and order men, Reuter reports. He was said to have lost the President's confidence. At the week-end, President Tolbert also dismissed Assistant Justice Minister, Joseph Williamson, and Police Director, Togba Davies.

Iran revenue
The share of non-oil revenue in the national budget rose to 21 per cent in the first half of the year ending March 20 from 13.6 per cent the previous year, Finance and Economy Minister Houshang Ansari said yesterday, Reuter reports from Tehran.

Rate Changes
National Westminster Bank announces that for balances in its books as from and including Tuesday, 25th May, 1976 its Base Rate for lending is increased from 9½% to 11% per annum and its Deposit Rate on all amounts lodged, subject to seven days' notice of withdrawal, is increased from 5½% to 7% per annum.

Savings Accounts will now attract interest at 7% per annum. All other rates remain unchanged.

Introducing the FT Eurobond List

The Financial Times is to publish monthly the Association of International Bond Dealers' official List of Eurobond Quotations and Yields.

The official Eurobond List will be an essential work of reference for anyone investing, borrowing or involved in this increasingly important market.

You'll find it as an integral part of the Financial Times early in every month. The first issue appears on Monday, June 7, and planned publication dates for the remainder of the year are July 5, August 9, September 6, October 11,

November 8 and December 6.

So, from now on, month by month, you'll have Eurobond data that's accurate to the last trading day of the preceding month. At least sixteen pages of detailed information which will help you find all the facts you want fast.

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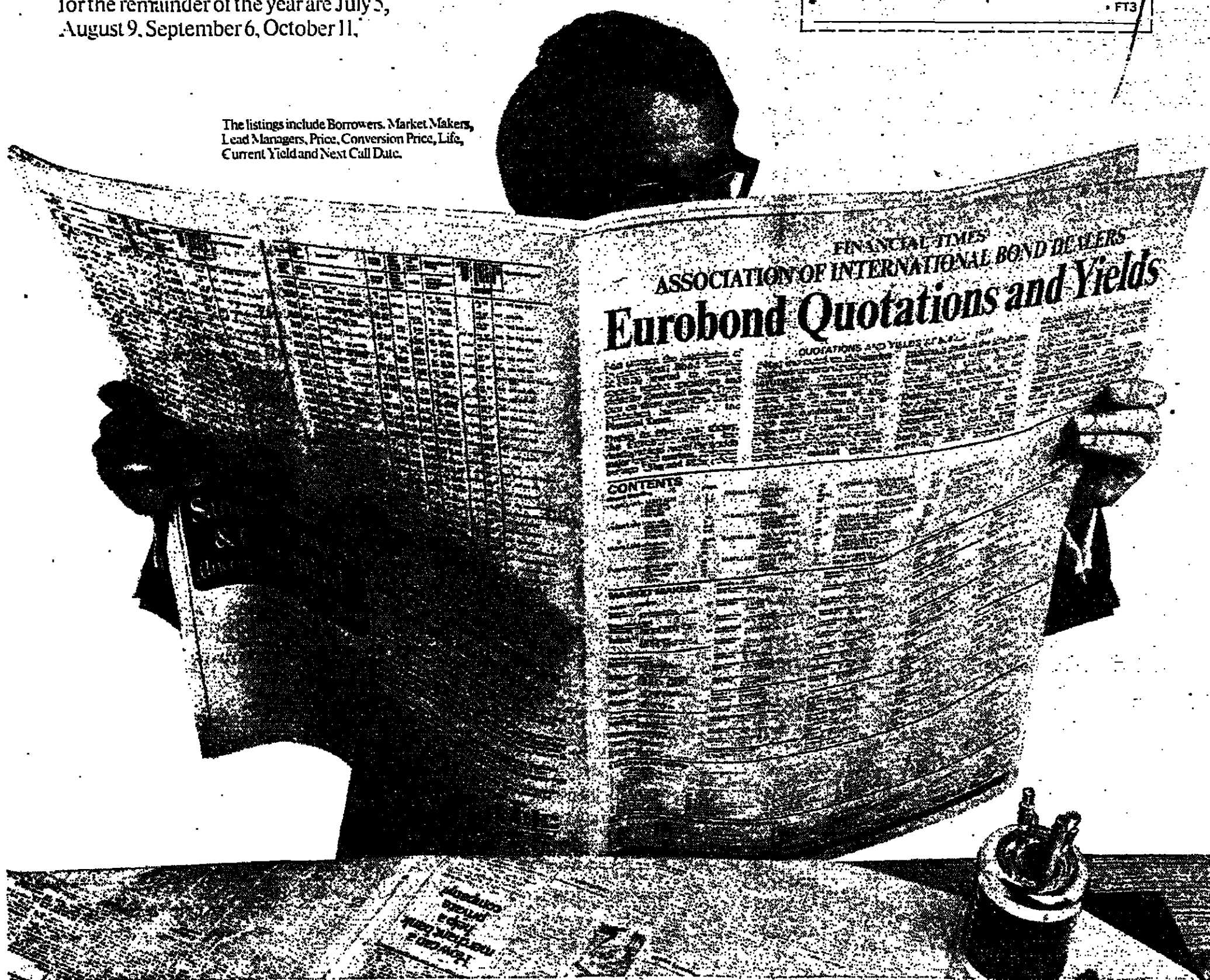
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The listings include Borrowers, Market Makers, Lead Managers, Price, Conversion Price, Life, Current Yield and Next Call Date.



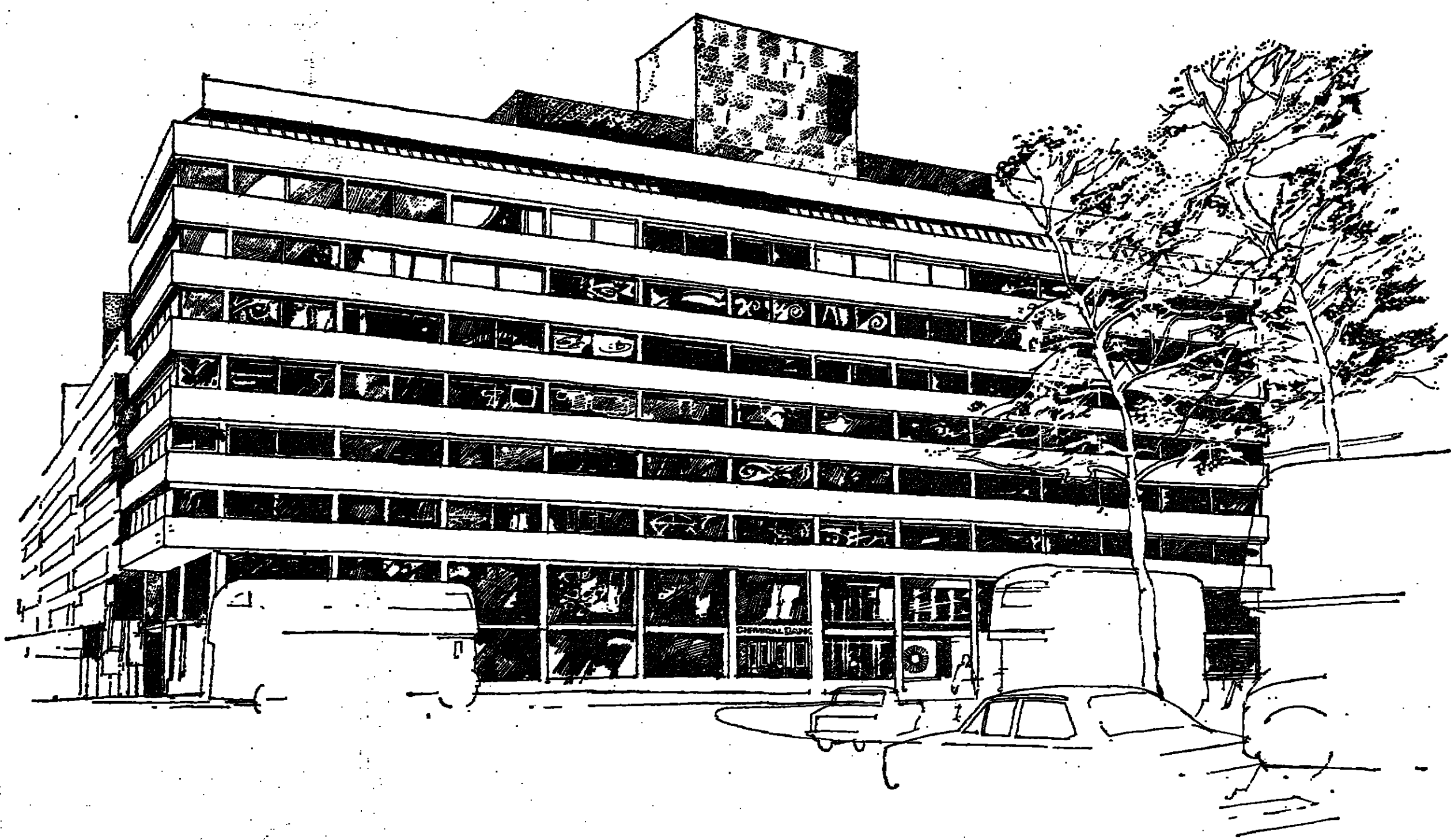
On Monday 31st May Chemical Bank celebrates its move to new headquarters at Chemical Bank House, 180 Strand.

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Tankers: fear of OPEC rise brings relief

The subsidiary factors boosting tanker demand in the Gulf include the large quantity of exporting crude from northern fields through the Persian Gulf rather than the Eastern Mediterranean, and the economic boom in the U.S., which has not only increased the need for oil but also has increased the oil requirements from its "on-shore" suppliers in Venezuela.

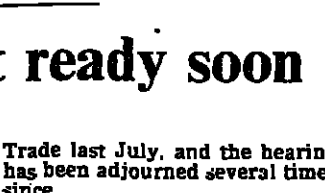
The International Association of Independent Tanker Owners at its meeting in Oslo last week announced the adoption of a plan to use up to 10% of the surplus. The measures recommended were: greater use of tankers as oil-storage facilities; conversion of older ships for use as floating oil storage; and conversion of some shipbuilding capacity into scrapyards.

DRAFT AGREEMENTS for a scheme of arrangement for Fidelity Life Assurance being prepared by the Policyholders' Protection Board will be ready on June 2, it was stated yesterday in the High Court, at a hearing of a petition to wind up the company.

This will be followed by a meeting of parties concerned in the agreement, to be held not later than June 18. At a court hearing on June 18, the judge will indicate how any disagreements should be resolved.

The petition for the winding-up of the company was brought by the Secretary of State for Trade last July, and the hearing has been adjourned several times since.

Recently Fidelity Corporation of Richmond, Virginia, the parent company, announced that a scheme of arrangement had been agreed with the company with the policyholders' protection board.



The margin from the extra export business is £0.26m. ($2,000 \times £580 - £450$). Thus the additional exports yield only £10,000 in extra profit.

Mr. Henderson welcomed the recent comments by the Prime

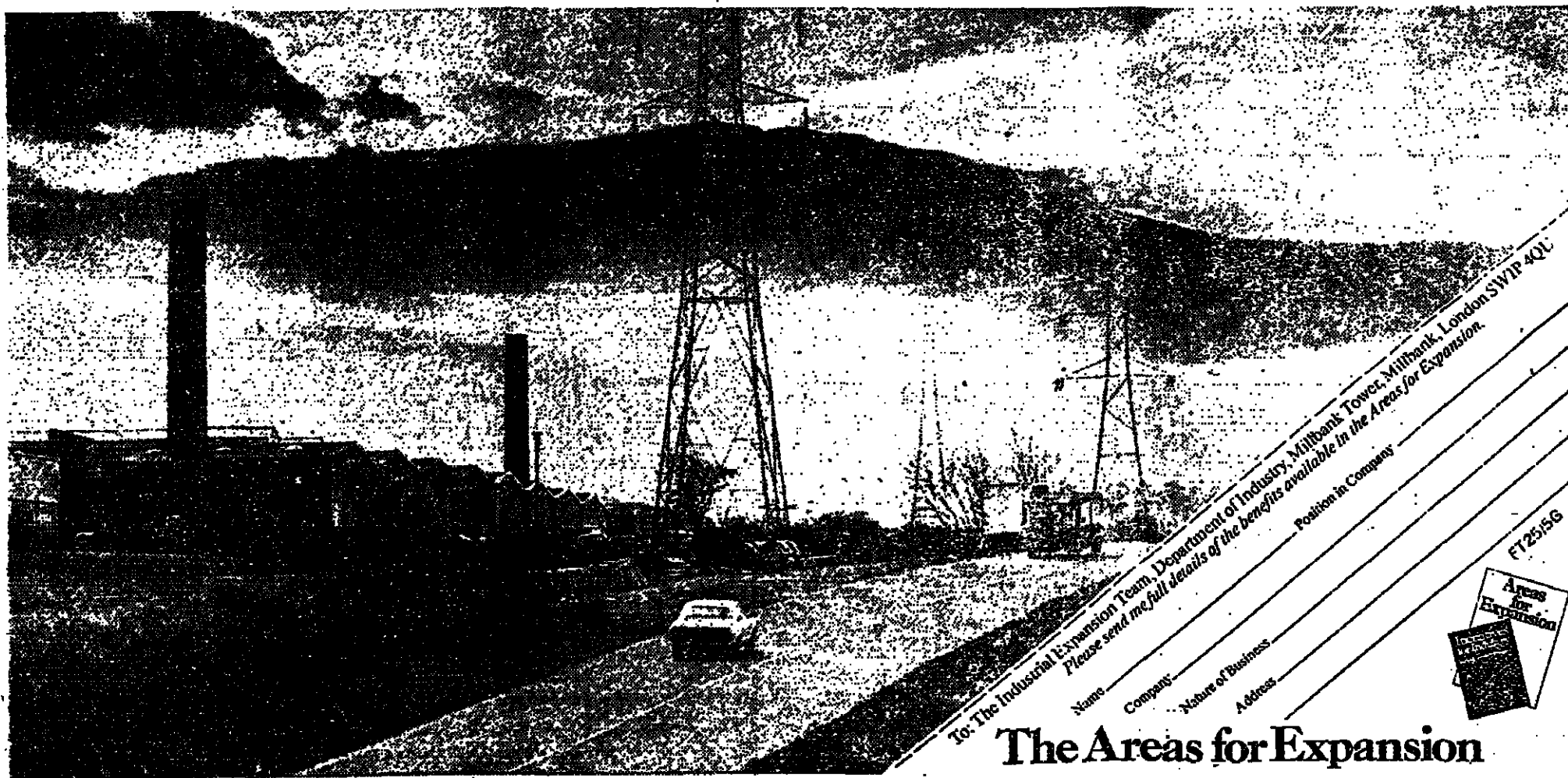
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It was only after the oil price increases at the end of the year—and after the market had turned down—that the company

and this was one of the matters that had to be dealt with in the revision of the Code.

The effect of ICI price increases on prices in the shops was generally small, Mr. Henderson said.

It was only after the oil price increases at the end of the year—and after the market turned down—that the comp



NOTICE OF REDEMPTION

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Issued under Indenture dated as of July 1, 1971, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$800,000 principal amount of the above described Debentures has been selected by lot for redemption on July 1, 1976, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

DEBENTURES OF \$1,000 EACH

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| 20 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
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| 500 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 510 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 520 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 530 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 540 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 550 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 560 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 570 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 580 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 590 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 600 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 610 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 620 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 630 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 640 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 650 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 660 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 670 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 680 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 690 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 700 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 710 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 720 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 730 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 740 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 750 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 760 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 770 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 780 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 9573 | 10866 | 12108 | 15869 | 12350 | 16806 | 12294 | 15177 |
| 790 | 1091 | 1004 | 3272 | 4382 | 9860 | 7020 | 9120 | 957 | | | | | | | |

LABOUR NEWS

Public employees' executive backs new pay policy

OUR LABOUR STAFF

IT 1,800 branches of the National Union of Public Employees, the fifth biggest union in the country, will be held in the next three weeks to vote on the union's policy on a 50:50 pay agreement.

The NUPES executive in Edinburgh to support new agreement despite attacks over the Government's conduct of economic

Tearside action planned

IAN HARGREAVES, LABOUR STAFF

TEARS on Weirside will be held tomorrow to support a campaign of industrial protest at what they believe to be the Government's attempt to reopen the Weir.

The campaign is being led by the Amalgamated Union of Engineering Workers who will also urge 10,000 party members to do like it does not see evidence of change of heart at the Weir.

March 432 men lost their jobs when Mr. Eric Varley, Secretary of State for Industry,

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Tuesday May 25th, 1976, their Base Rate for lending will be increased from 9½ per cent. to 11 per cent. per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £1,000 up to £100,000 will be at the rate of 8½ per cent. per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011

LLOYDS BANK BASE RATE

Lloyds Bank announces that with effect from Friday, 25th May, 1976, its Base Rate for lending is raised from 9½ to 10½.

The rate of interest allowed on seven-day notice deposit accounts and Savings Bank accounts will be 6½, an increase of 1½.

Lloyds Bank

L.B.I. Base Rate

Lloyds Bank International Limited announces that, with effect from 25th May, 1976, its Base Rate, applicable to all its U.K. branches, is increased from 9½% to 10½%. The rate of interest allowed on seven-day notice deposits will be 6½%.

LLOYDS BANK INTERNATIONAL
40-46 Queen Victoria St., London EC4P 4EL. Tel 01-248 9822

Union Corporation Limited

(Incorporated in the Republic of South Africa)

The attention of shareholders is drawn to the announcement issued today by Federale Mynbou Bepok and General Mining & Finance Corporation Limited that the Federale Mynbou/General Mining Group now holds 50.1% of the issued capital of the Corporation.

As the announcement points out, the two groups will retain their separate identities and organisational structures and all employees will enjoy continued employment and their interests including pension rights will be fully safeguarded.

During the past year Union Corporation and General Mining have established a good relationship which has shown that the interests and activities of the two Groups are compatible and in many cases complementary. The increased investment in Union Corporation will strengthen this working relationship and create new opportunities to maximise the skills and assets of both Groups. The combined technical and financial resources will enable both groups to enter a wider field of endeavour and on larger and more complex scales than previously.

24th May, 1976.

Split in AUEW over code support

By Alan Pike in Scarborough

THE engineering section of the Amalgamated Union of Engineering Workers, which last week delivered politically important support for the Government-TUC pay proposals, yesterday came under attack for its action from the union's other three sections.

Leaders of the technical and supervisory (TASS), foundry and construction sections, sent a critical letter to Mr. John Boyd, general secretary of both the engineering section and the AUEW at the opening of the amalgamated national conference yesterday.

The complaint was that, by discussing wages policy last week, the numerically dominant engineering section had, in effect, decided pay policy in advance for the whole union.

As a major issue of policy, the general secretaries of the other sections argued that the pay issue should have been reserved for this week's full conference. Their complaint was considered by the AUEW amalgamated executive yesterday evening and will be discussed again, probably today.

Solution

One solution being considered is that there should be no discussion on pay policy at this week's conference, but that, instead, all four sections should be allowed to act independently and cast separate votes at the special TUC congress next month.

This would be a public indication of the uncertain state of the attempts to bring about a full amalgamation of the AUEW's four sections, which had clearly been dealt a further blow by last week's engineering section decision on support for the incomes policy.

Representatives of the three minority sections, particularly the Left-wing led TASS, were already angry that the engineering national committee in December released their members from a decision of last year's amalgamated conference to oppose the 50:50 policy.

The latest engineering action has led to demands from TASS that the annual conference next year should be held in advance of the sectional conferences to ensure that a single policy binding on the whole union can be agreed.

Aid condition

Proportionate public ownership should be a condition of all future financial aid to private companies, the AUEW demands in the wake of the Chrysler rescue.

Speakers were critical of the way the Government had handled the Chrysler operation, although a motion which condemned the "massive financial hand-out" at the expense of the taxpayer was diluted merely to note the situation, before being adopted. Mr. Sid Haraway, a Ford, Dagenham, convenor who moved the resolution, was disturbed at the practice of Chrysler and other American-owned motor companies in importing cars built on the Continent for assembly in this country. The policy of these manufacturers appeared to be to turn skilled British motor workers into "unpackers of boxes."

APEX gains Leyland hold

By David Churchill

WHITE-COLLAR staff at British Leyland's Marylebone headquarters, London, have secured sole bargaining rights after threatening industrial action. The staff are members of the Association of Professional, Executive, Clerical and Computer Staff. Mr. Roy Grantham, APEX general secretary, said last night that the agreement covered about 800 staff and came after months of negotiation with Leyland management.

At one stage the union threatened to "black" essential administration which would have affected Leyland production. The new agreement includes giving union officials time off to carry out official business.

Dons will soon join TUC

THE TUC's finance and general purposes committee yesterday approved acceptance of the applications for affiliation of the Association of University Teachers and the Institution of Professional Civil Servants. If the decision is endorsed by the TUC general council on Wednesday, the two organisations will be able to attend the special TUC Congress on June 16 when they are thought likely to vote in favour of the new pay policy.

Phone charges worry Jackson

BY DAVID CHURCHILL, LABOUR STAFF

A WARNING that increased Post Office telephone profits this year would lead to union pressure to reduce charges came yesterday from Mr. Tom Jackson, general secretary of the 150,000-member Union of Post Office Workers.

He told the union's annual conference in Bournemouth that if the PO's telecommunications business reached the rumoured £150m, profit this year, he would ask the corporation to reduce telephone charges on calls put through by the operator, and on telegrams.

Strongly attacking the PO management for using "the same old bottles of medicine"

—labelled "service cuts" and "price increases"—he warned that the PO had been talking of extending on the second daily post delivery.

This, he said, would mean some companies receiving their only delivery as late as 2.30 in the afternoon. "Next day delivery for first-class letters would be reduced by 14 per cent., and the total saving for this massive reduction in service would not reduce the price of a letter by one half of a penny."

Mr. Jackson also criticised the PO's support by Sir William Ryland, PO chairman, and by the Post Office Engineering Union of splitting

the telecommunications and postal businesses.

Not only could this lead to denationalisation of the PO, as the more profitable parts were effectively hired off, but it would also lead to chaos and excess administration. This had happened since the two services were partially split in 1967 as the number of staff employed in administration had risen by 150 per cent.

The idea of splitting the PO was being used as a "convenient escape hatch" to avoid criticism of the corporation. What we need is not a divided management, but a better management, he added.

Leyland pension bid

BY ERIC SHORT

UNIONS at British Leyland are seeking to negotiate a fundamental change in the pension scheme established last September for hourly-paid employees. A joint letter from the Amalgamated Union of Engineering Workers and the General Municipal Workers' Union yesterday asks for the scheme to be changed from its present basis of a managed fund system from September 1.

The unions originally accepted an insured-basis scheme because they thought it would have a better chance of being self-sufficient than the present system of contributions—3 per cent. from employees, 5 per cent. from the company—are paid into the fund.

The proposed change would enable workers' representatives to exert more control over the fund's investment policy. The Board of trustees is composed of 50 per cent. of management and 50 per cent. from workers. The unions also say that they want the scheme to be self-administered eventually.

Under the present system, annual contribution income is £1,000,000, of which £300,000 is paid into the fund.

General Mining and Finance Corporation Ltd.

(Incorporated in the Republic of South Africa)

Chairman's Review—1975

business activity and the training of manpower is of great importance. It is our conviction that the optimum utilisation of the Group's manpower is the key to higher productivity and is one of the most fruitful contributions we can make towards combating inflation.

A fundamental element of our philosophy in this important matter is contained in the Group's statement of policy, namely, "The Federale Mynbou/General Mining Group regards its human resources as its most important asset, and accepts that the Group's viability, economic performance and vitality will depend largely on the extent to which these resources can be utilised and developed successfully."

The Group's total training programme is aimed at giving each individual employee the opportunity of developing his potential contribution to the maximum. Within this framework, the management training programme is designed to equip employees in supervisory and management posts with constantly improving management ability and knowledge. Consequently it becomes possible to apply the philosophy and system of decentralised management which is considered to be the most suitable for the Group.

The extent of the training programme is clearly reflected in the fact that a total of more than 7,200 White employees will receive training by means of five different types of courses and seminars. To date, more than 4,000 of this total, or 55 per cent. of the candidates, have received one or other form of training.

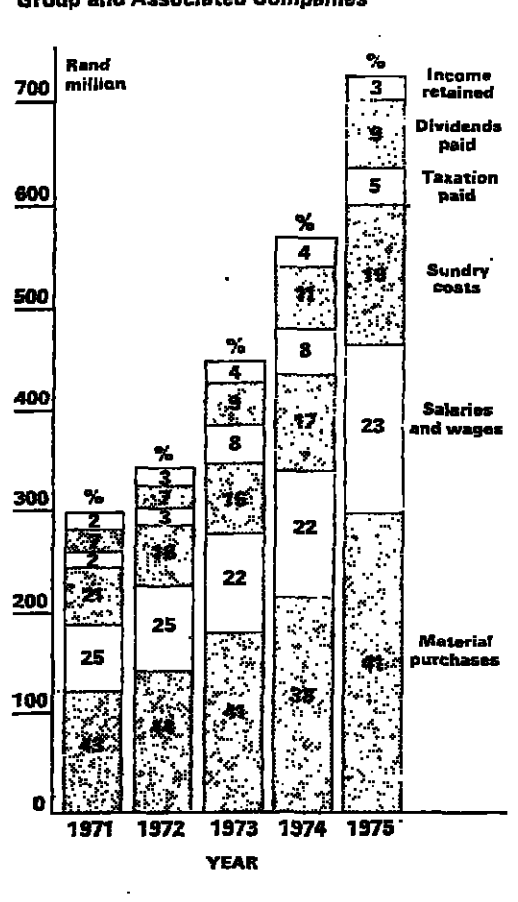
The stage has now been reached where the major part of our total training programme has been designed and implemented, and several training projects which are to be launched in the near future, have taken on a definite form.

There were encouraging signs during the year that the comprehensive training programme for White and Black employees is yielding results in the form of more efficient labour output and higher productivity. The variety of new projects and expansion programmes to be undertaken which are referred to in the directors' report, make training and development, in the light of future manpower requirements, a matter of priority.

PROSPECTS

There are a number of factors which materially influence the affairs of the Group. The trend of the gold price during the coming year is probably one of the most important factors. The availability of sufficient Black labour on the gold mines is also of much importance.

Application of gross income of General Mining Group and Associated Companies



SUPPLEMENTARY STATEMENT BY THE CHAIRMAN

The new arrangement will create an outstanding opportunity to maximise the skills and assets of each. The activities of both groups are complementary. Management and technical skills of a high standard are available within each of the groups to deal with their specialised fields of activity. With the increasing size and complexity of new ventures there are ample opportunities for co-operation. The existing association of the two groups has already provided many benefits through a broader approach and the Boards of General Mining and Federale Mynbou are convinced that their increased investment will further enhance this programme of co-operation.

The auditors of General Mining and of Federale Mynbou have indicated that in their opinion the issue of 2,400,000 shares in General Mining in exchange for 12,222,240 shares in Union Corporation is fair and reasonable.

It is proposed that the new ordinary shares in General Mining be issued with the right to all future dividends hereafter declared including the interim dividend for 1976 expected to be declared in September. General Mining will retain the right to all dividends hereafter declared on the 12,222,240 Union Corporation shares to be acquired by it.

As a result of these transactions the net asset value of General Mining as calculated at 31st December, 1975, but after taking account of the proposed issue of 2,400,000 new shares and of the net asset value of the 12,222,240 shares in Union Corporation held and to be acquired by General Mining, as also calculated at 31st December, 1975, would have amounted to 4,238 cents per share. The net asset value of General Mining as published in the annual financial statements for 1975 amounted to 3,983 cents per share.

Calculated on the earnings published by the

The gold price is beyond our control, but a measure of progress is being made by the industry in the marketing of Krugers on a wider basis, particularly in the U.S.A. It is likely that industrial use of gold will also increase as world-wide recession eases. We believe that the progress being made in regard to the rationalisation and better utilisation of labour will adequately limit the effects of labour shortages. It is, however, expected that income from gold will be considerably lower in 1976.

The trend of inflation remains as one of the more important other considerations. Production costs have risen alarmingly over the past few years and the continuing high rate of inflation is cause for much concern. I trust that the co-operative measures, being taken by the private and public sectors will provide a sound contribution towards resolving the short-term inflation problem. All things considered, it is perhaps necessary that the South African public and particularly the younger generation, be made aware of the fact that if less demands were made on the State in the future for services, it would be possible for the State to curtail its activities and thus reduce its expenditure substantially. This, together with elimination of restraints on the creation of new production facilities and emphasis on increased productivity will, in the longer term, probably be the only permanent contribution towards the campaign against inflation.

A point that merits consideration as a short-term anti-inflation measure, is the temporary reintroduction of a six-day working week throughout for a period of perhaps two years.

The trend of world prices of base minerals is a material factor in our profit expectations, and although the prices of most minerals in which the Group specialises are higher at present than they were last year, we do not expect any significant decreases in the coming year. Rail transport and particularly harbour facilities could be inhibiting factors in 1976.

In regard to industrial interests, the Group is engaged in activities which are less sensitive to short-term economic changes, but we may, nevertheless, expect to be affected in due course in proportion to reduction of expansion projects within the country. Nevertheless, it is expected that industrial subsidiaries will make a higher contribution to profits in 1976.

Factors which cause concern, however, are the steep increases in the cost of replacement and expansion of production facilities as well as larger working capital requirements resulting mainly from the higher cost of stores and debtor financing.

In the case of coal, the full extent of our obligations in respect of expansion, as well as the question of possible contributions by external sources of finance should be determined during the year, whereupon a suitable long-term financing programme will need to be formulated.

In view of the uncertainties and reservations mentioned above, it is very difficult to assess the prospect for 1976 soundly, but a modest decrease in earnings per share must, in any event, not be unexpected.

DIRECTORATE AND PERSONNEL

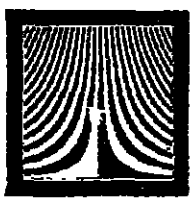
In conclusion, I wish, personally and on behalf of my co-directors, to express appreciation of the dedicated service rendered by management and the administrative and technical personnel during the past year. Our appreciation is also extended to the management and personnel of mining, industrial and other companies associated with the group. To my co-directors, I extend my sincere thanks for their sustained support and co-operation. Dr. J. S. Marais resigned during the year and I wish to express our appreciation of the services rendered by him to the company. Since the end of the year, Mr. S. A. Hofmeyr has relinquished his position as a director but, as he will remain on the board as an alternate director, his valuable services will continue to be available to the company.

W. B. COETZER

CHAIRMAN

6 Holland Street, Johannesburg

19th May, 1976



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Board has built-in resistors

WELWYN Electric has become the first U.K. controlled company to offer a printed circuit board which incorporates its own resistors: of the printed metal film type.

The board relies for its raw material on a sandwich of glass fibre base 0.062in. thick to which is laminated a layer of resistive metal film underneath a layer of copper foil.

Successive subtractive etching, first of the copper to form the conductor pattern, and then of the metal film to produce the required resistor pattern, results in a fully interconnected conductor-resistor network.

Applications include fusible random access memories (FRAM's), programmable read only memories (PROM's) and any other high density matrix of resistors. By using Omega laminate with copper/resistor film on one side and copper only on the other side, an even higher density resistor array can be achieved which, by plated-through-hole techniques, allows all conductors to be printed on the opposite side.

Alternatively, one copper layer may be used as a heat sink, permitting higher dissipation to be obtained from the resistors on the opposite side.

Resistor stability depends on dissipation, individual resistor size and heat sink arrangement, but can be as good as 0.5 per cent. for 1,000 hours operation. Resistance range is 10 ohms to 40 ohms, and temperature coefficient better than 80 ppm/°C, with tracking of resistors to 10 ppm/°C.

Connections to the circuit can be made by any of the standard methods, including gold plated fingers for edge connectors, with up to 10 fingers on each side per cm. of edge.

WELWYN Electric is at Bedlington, Northumberland NE22 7AA. (0670 522151).

Hengstler's first U.K. product

LOW cost electronic counters are the first products to be made in the U.K. by Hengstler, at its Broxbourne plant. They make use of a single chip large scale integrated circuit and are stated to be unaffected by high levels of electrical interference.

The range consists of three and four-digit adding and sub-

tracting predetermining counters available with or without a seven segment LED display. Batch quantity is selected by thumb-wheel switches: when the pre-selected number is reached a pulsed single pole double throw contact is made; switching time is adjustable from 100 to 800 milliseconds.

Positive pulses of any waveform with a minimum duration of 500 microseconds are suitable for switching giving a maximum counting speed of 1,000/sec. Maximum contact closure switch speed is 40/sec with operation from open collector devices rated at 15V DC. Closure of the contact inhibits either or both of the count inputs.

Body size is 54 by 104 by 130 mm and standard panel size is 59 by 125 mm. More from Hengstler G.B., Nazeing New Road, Broxbourne, Herts EN10 8SX. (Hoddesdon 68451).

Samples for longer time

INTRODUCED by Fenlow Electronics is an integrating digital voltmeter designed to allow measurements to be made over longer periods than generally possible with DVM sample rates. Priced at under £300, the 70001 has a period of integration that can be preset from one to 100 seconds. Input ranges are from 200mV, 2V, 20V, and 200V or alternatively a fixed input span can be supplied. Accuracy is 0.1 per cent. of reading. The instrument can be switched to the normal DVM mode whereupon it samples at 25 times per second. Binary coded decimal output can be provided as an extra.

The display is a wide-angle type using Nixie-type characters. Enclosures are available for free standing, rack mounting or panel mounting. More from Jessamy Road, Weybridge, Surrey (Weybridge 43978).

PROCESSING

Dewaters the sludge

MONO Pumps (Engineering) has made an arrangement with Roediger A.G. of Hanau-Main, West Germany and Rheinfelden, Switzerland, for U.K. marketing of the Roediger SSP belt filter.

This belt filter is suitable for dewatering industrial waste sludge and its design is claimed to reduce operating costs by minimising the use of flocculant. The SSP unit employs gravity draining and vacuum dewatering stages before the belt press and milling zones in which final moisture removal is achieved. Combination of four dewatering stages in a continuous process ensures maximum solids capture in comparison with a conventional belt press.

The sludge cake produced has a relatively high solids content, minimising reconstitution during storage and facilitating handling. Sophisticated civil engineering work normally associated with filter press and other dewatering systems is unnecessary, it is claimed.

The unit is available in a range of standard sizes, with a maximum capacity of 11 cubic metres of digested sludge per hour, 8 cubic metres of primary sludge per hour, or 7 cubic metres of aerobically stabilised sludge per hour. The British company is located at Mono House, Seckford Street, London, EC1R 0EE (01-253 8911).

RESEARCH

Pump for a nuclear facility

BIGGEST vacuum pumping system ever built by Edwards High Vacuum (BOC Group) and probably one of the largest of its type ever set up has been supplied to the European high energy physics centre at CERN. It weighs about 20 tons and its purpose is to reduce the vapour pressure of the liquid helium in separator cryostats, thus cooling the separator structure down to 1.5 degrees absolute.

The unit will have to pump about 37,500 cubic metres of gas an hour and operate non-stop for periods as long as six months to a year.

Technically, this is an outstanding achievement, not only because of the degree of reliability that has to be built into the booster pumps and other mechanical devices but also because of the accuracy with which the system has to be fabricated in materials which have to withstand extreme cryogenic temperatures. At the same time, the system has to be completely oil-free.

The unit will be installed on the new CERN superconducting radio frequency particle separator. Edwards High Vacuum, Manor Royal, Crawley, West Sussex, RH10 2LW (0293 28844).

METALWORKING

Big spark erosion machines

A PAIR of spark erosion machines have been introduced by N. E. Erods Machinery, Tadman Street, Wakefield WF1 5QU (0924 76806) designed to accommodate large workpieces. They differ from the company's previous units in that the elec-

trode positioning movements are applied to the head rather than the table. A building block approach has been used so that machines which deviate from the standard layout and size can be readily constructed to meet individual customer's needs. The head is mounted on the end of a heavy section overarm, is motor driven and moves in guideways. Digital displays show its position. The head can be retracted fully to leave free access for crane loading if needed.

The table is a cast-iron slab incorporating test-slots and measures 1,000 x 1,000 mm in the N1000 and 2,000 x 1,000 mm in the N2000; support loads are 4,000 and 6,000 kg respectively. Positional accuracy is 0.02 mm.

The generator can supply up to 600 A and the controls have a built-in microcomputer to optimise metal removal when roughing.

INSTRUMENTS

Measures fine pitch gearing

FIRST production machines in the Goulder Mikron fine pitch single flank tester range are now becoming available—one has been shipped to China and a second is under construction for a Swiss tool manufacturer.

The gear to be tested is rolled at designed centre distance as it would be in use, and variations from smooth motion are monitored by means of optical gratings and an electronic system to produce a graphical record which represents physical errors of form and pitch.

Accuracy is stated to be comparable with any other method of measuring gears, but the single flank method is much faster. In addition it measures across the whole face of the gear rather than at a single point or line and so is much more thorough than individual measurements.

The instrument is particularly intended for gears of minimum backlash and maximum transmission accuracy such as are found in radar, servo mechanisms, and in the colour printing industry. More from Kirkheaton, Huddersfield HD5 0QR (0484 34394).

Bowmar out of the wood

APPLICATION has been made to the courts for Bowmar Instrument to permit it, by arrangement with creditors, to withdraw from the Chapter II status it has been under since the calculator and electronic component side of its operations brought it into serious financial difficulties last year.

This means the company is earning enough from its four major activities to be considered to have purged its bankruptcy in English parlance.

Following the abandonment of its calculator, digital watch and semiconductor operations, it continued with instruments, aerospace products, potentiometers and aircraft ovens and light-emitting diodes. These products have been marketed to European customers from the company's centre in Britain.

DATA PROCESSING

Good news for users

SIMULTANEOUSLY with an announcement that Control Data Corporation, in a move to expand its add-on and replacement product offerings for IBM 370 systems is entering the 370/158 main memory market and is offering new memories for 370/158 systems. IBM has cut prices of expanded memory modules of a number of its computers.

The CDC 33188 and 33158 series, contain 4,096-byte semiconductor memory modules that allow users to expand the main memory of their 168 and 158 systems to 8m bytes in a single cabinet. This is twice the maximum 4m bytes now available from IBM.

Main memory units are available in 1- to 7-megabyte increments at prices 38 to 53 per cent. below IBM. Expansion or replacement of 370/158 memory 8257.

OFFICE EQUIPMENT

Seats from Siemens

NOT widely known as furniture suppliers, Siemens has announced that it is to market in this country a work chair designed by Danish surgeon A. C. Mandal for those that have to remain for long periods in the sitting position. Main interest should be in offices and light assembly factories.

Essential feature of the seat is that it adjusts itself to the optimum position—sloping backwards for resting and sloping forwards for working. It is based on considerable research and the knowledge that most people tend to move towards the front of the seat when working; the Mandal seat tilts preventing pressure under the thighs with the pelvis assuming a more natural attitude.

Incoterms Series 7000 online banking terminal system is available in the U.K. It supports the complete range of banking operations, including across-the-counter teller transactions and other administrative, clerical and managerial functions. Since its introduction in the U.S. in May 1975, over £8.5m. worth of orders have been taken. The latest is for \$6.3m. with the Seattle First National Bank which will have 1100 cashier positions.

Combined West European markets for minicomputers, small business machines, OEM minis and micros and microprocessor components will grow from \$1.1bn. in 1975 to just under \$1.6bn. in 1980. West European companies dominate in small business computers, while companies with an origin in the U.S. dominate the other three areas.

Microprocessor components represent the most rapidly growing part of this market; over 500 per cent. from 1975 to 1980. OEM minicomputers and microcomputers are the slowest growing segment in terms of value, as a result of the very rapid price attrition which will follow from the economics achieved in large scale integrated circuit manufacture.

These conclusions are among the results presented in a study which has just been completed by Mackintosh Consultants (01-499 0605).

can be done in 4-to-71-megabyte. The transfer of data between a 33158 increments that are fully interchangeable and priced 28 per cent. below IBM, CDC random access memory is often limited by the speed of the microcomputer. Removing the micro during an auxiliary device, is sent on expanded memory modules of a number of products having metal oxide semiconductor field-effect transistor (MOSFET) technology.

On general systems division products, IBM has lowered purchase prices on expanded memory modules of system/8 models 8, 12 and 15, system/22 and the 5100 portable computer which use MOSFET memory technology. Reductions range from 10 to 35 per cent. (IBM on 01-935-6600.)

The new DMA controller is on a single chip and has four channels for transfers. Each is assigned a priority level so that multi-DMA activity is called for each mass storage device can be serviced, based on its importance in the system.

In operation, a request is made from a peripheral device for access to the system bus. After its priority is accepted a hold command is issued to the CPU which acknowledges and indicates that the DMA has complete control of the bus. Transfers can then be made in blocks with processor stopped, or a few bytes at a time, hidden in the execution states of each instruction.

Between Towns Road, Cowley, Oxford OX4 3NB (0865 771431).

SEATS FROM SIEMENS

According to Siemens people, conveniently inside the unit do not slide off the seat because which is set up in a matter of a few seconds. In spite of its small size, it has a high resolution optical merely sit upright and the seat system usually found only in the sloping backwards position. According to the company test-users in Denmark, particularly microjackets in a screen or front back suffers, have found their newly acquired freedom a great advantage. Great West House, Great West Road, Brentford, Middx., TW8 8DG (01-868 9133).

Service organisations which are not converting large quantities of parts and service information to microfiche should be interested.

An optional cigarette lighter adaptor allows the Viking to be used in an automobile. In addition, a rechargeable battery pack allows the size of a hand-held power source.

Microfiche, Canterbury House, 393 Cowley Road, Oxford OX4 2DF. (0865 775621).

IN BRIEF

Auerbach Guide to Teletypes their major features, plus provide a series of handbooks that reports a close-up of a covering significant hardware and selection of teletypes. The software developments in the Guide ends with a Directory of communications industries. 01-202 5333.

It comprises a product class report which is a combination of dictionary and the most powerful tutorial and market overview full data base management report. It explains the various system in the world—according to type of teletypes available to their inventors—have the and the various functions and been linked. An agreement has been signed between MSP and Software AG of North America, practical equipment selection making DATAMANAGER the guidelines. This is followed by sole recommended and endorsed a Search chart for most current data dictionary for ADABAS, teletypes on the market with MSP on 01-488 3947.

Microprocessor components represent the most rapidly growing part of this market; over 500 per cent. from 1975 to 1980. OEM minicomputers and microcomputers are the slowest growing segment in terms of value, as a result of the very rapid price attrition which will follow from the economics achieved in large scale integrated circuit manufacture.

These conclusions are among the results presented in a study which has just been completed by Mackintosh Consultants (01-499 0605).

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TEXTILES

Foamer to cope with most needs

MUCH OF the carpet now being manufactured is backed with a latex foam compound to provide an inbuilt underlay. This is particularly common with tufted carpets, but other types of carpets such as Axminster and Wilton are often backed in this way.

Foam is normally applied from a continuous foaming head which combines the latex with a gelling agent and air. This foam is then spread evenly on the back of the carpet before being in an oven.

Several systems are commonly used for making this foam, but from Germany comes a completely new one which is based on a machine called the Hama-Mixer. This is built by Hama Werke, Bremen (British agent B.L. Engineering, 11, Edward Street, Bradford BD4 7BN. Tel. 0274 34185) and it is suitable for continuous foaming of latex compounds, both in sheet and in dispersions. It can foam continuously from as little as 100 kg/hour up to a maximum of 6,000 kg/hour, all through the same head unit.

The Hama-Mixer is more expensive than most existing units but it is completely automatic in operation and, it is claimed, will save initial cost within the first year of operation although this must depend upon how much it is used.

The machine runs at an ambient temperature of about 18 deg. C. and is able to produce a foam that retains the natural spherical configuration of the bubbles. This gives a more precise and fine structure than other systems. Where the machine makes its savings is in the fact that it is not only fully automatic in its operation, but it is able to maintain the cup weight of the foam accurate to within 1 per cent. Because the foam is mechanically produced there is no heating of the compound and the final structure of the resultant foam is said to be of the highest quality attainable. The gelling agent is injected directly into the mixing head and so there is no need for a blipper in the new system.

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THE COMMUNITY OF INTEREST WITH THE DEVELOPED WORLD
Secretary Vicente F Paterno
Department of Industry, Philippines

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Mr Toshio Shishido
The Nikko Research Center Limited

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Major General Ali Moertopo
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Mr Somakdi Xut
National Institute of Development Administration, Thailand

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Mr H V Leohard
General Motors Overseas Corporation

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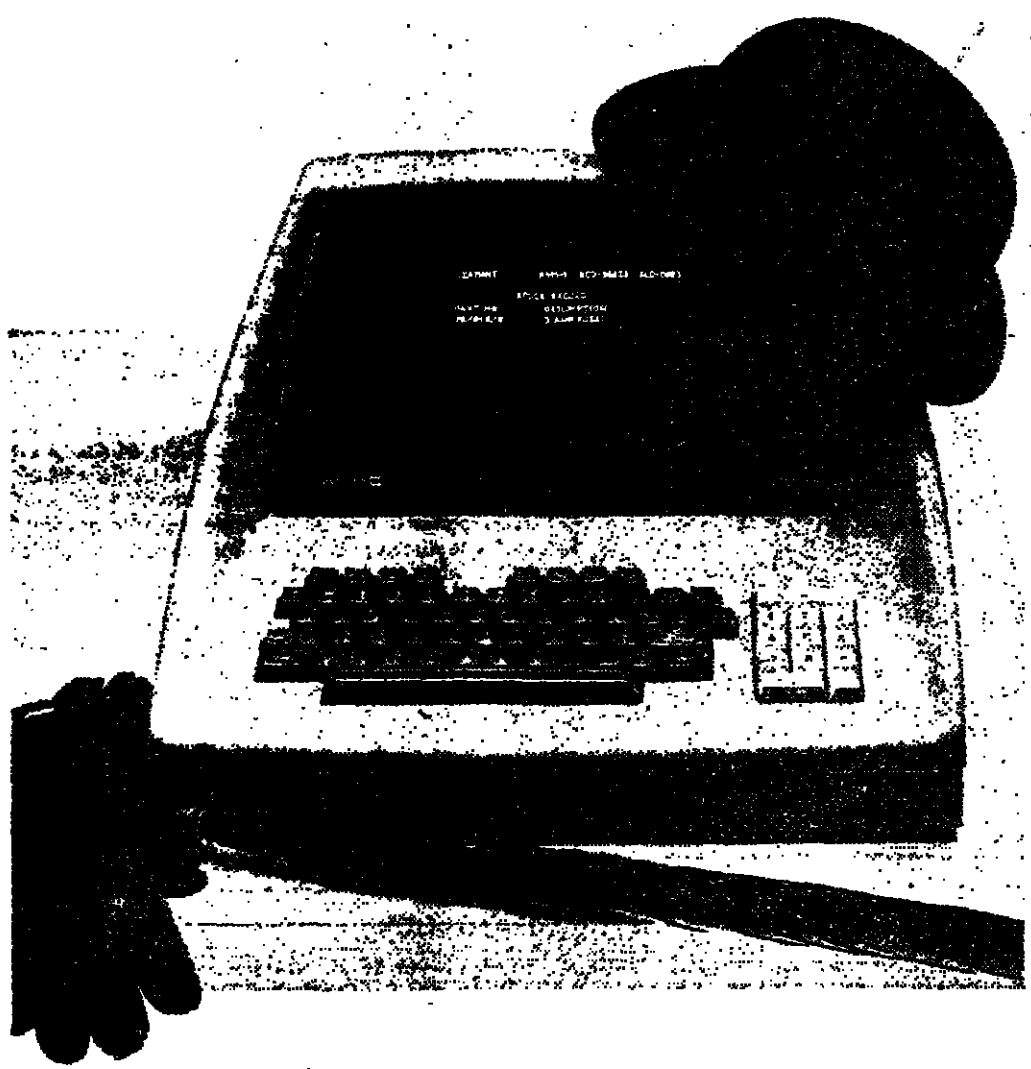
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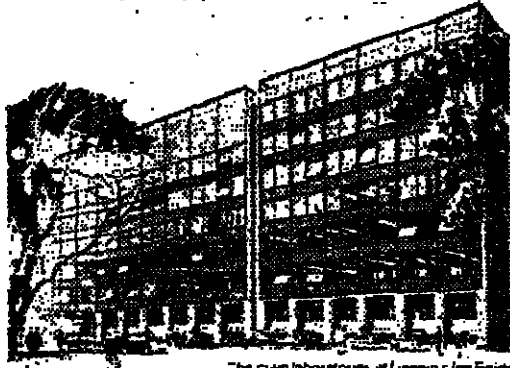
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هكزامن الاعمل

Concorde and gas-cooled reactor 'waste resources'

FINANCIAL TIMES REPORTER

THE TOTAL COST to the British economy of the Concorde and advanced gas-cooled reactor programmes represented a waste of resources sufficient to finance all research in British universities for 15 to 20 years, Professor P. D. Henderson, professor of political economy at University College, London, said last night.

To help guard against similar errors in the future, major changes were needed in the administrative system for reviewing and advising on public spending programmes, he said in an inaugural lecture. The changes would include the creation of a new institution separate from the present machinery and free of constraints of the Official Secrets Act.

Professor Henderson put the net cost of the Concorde at "an extremely rough and ready interim cost benefit assessment" as between £1,550m. and £700m. and the total net cost of advanced gas-cooled reactor programme at between £1,640m. and £2,110m.

These figures include the costs already incurred under each programme, adjusted to last year's prices, and estimates of future costs and revenue discounted to 1976. The upper and lower limits for each programme explained by the use of two extreme rates of interest—3 per cent and 10 per cent.

Restige

For Concorde, Professor Henderson's figures incorporated estimates of the possible money value of external costs and benefits—such as to the balance of payments and employment and technological spin-off, engine and national prestige.

These wider aspects were listed from Professor Henderson's calculation of the total net cost of the reactor programme, as figures are based on a comparison of the cost of the sent five-station advanced gas-cooled reactor programme with a similar programme using a water reactor of U.S. design—the alternative at the time the reactor choice was made.

Professor Henderson said that his programmes could be described as errors as "in the light of what has happened over the last 10-15 years, it can now be seen that neither ought to have been undertaken."

He wished to express no opinion on the question of how the critical decisions on the programmes were justified—as it can be—with unusual

imagination and breadth of view. gives very restricted scope to individual enterprise and initiative.

For many the prudent course was to remain strictly within one's closely defined territory, Professor Henderson added. No built-in check was provided against professional or organisational bias.

There was and could be no effective challenge from independent and informed sources to the views of the AEA in the case of the advanced gas-cooled reactor decision and to the early estimates of the department concerned and the aircraft industry in the case of Concorde.

Professor Henderson said that the formality of the decision-making process was reinforced by what he termed "unbalanced incentives" or "the unimportance of being right."

He instanced the system whereby the potential of civil servants was estimated and their promotion was decided. An impressive list of qualities was carefully and objectively assessed, but not "whether your advice has been any good."

These two characteristics of the British administrative system were in turn reinforced by secrecy and anonymity. "Not only may it not matter greatly whether you were right, but few will ever know—probably no one outside a small group within your own organisation."

Professor Henderson mentioned three possible lines of action worth exploring. They concerned personal responsibility in relation to individuals; pluralism in relation to organisations; and a possible new institution in relation to the process of reviewing public spending programmes.

On the first point, Professor Henderson said that he favoured an arrangement whereby the views expressed by particular expert officials became known, for example, to House of Commons select committees. "Apart from increasing the flow of information, this might help to ensure that senior officials whose judgment had proved sound would get the credit."

He advocated pluralism, because, given the convention that organisations and not people were entitled to views, "there is a definite case for having a larger

rather than a smaller number of independent organisations. It ensures that more opinions become publicly available or at least widely known.

"Second, it may help to protect the independence and integrity of individuals, on which a great deal depends when we are trying to make an informed and objective assessment of the future."

Finally, the new institution specifically created to analyse and review British public spending programmes should have two essential characteristics, Professor Henderson said.

"First, it should be clearly outside and separate from the Government machine. As a corollary, its staff... should not be subject to the Official Secrets Act.

"Second, it should be concerned with results more than the observance of accepted procedures. In consequence, it should not be too concerned to meet the British ideal of firing in

TOTAL ESTIMATED NET LOSS, PAST AND FUTURE

£m. at 1975 prices, discounted to 1975-76

| Rate of interest | Concorde | | AGR | |
|--|----------|-------|-------|-------|
| | 3% | 10% | 3% | 10% |
| Past expenditure | | | | |
| At current prices | 730 | 730 | 1,075 | 1,075 |
| At 1975 prices | 1,160 | 1,295 | 1,715 | 1,905 |
| Interest charges | 225 | 835 | 345 | 1,300 |
| Total costs to March 31, 1976 | 1,385 | 2,130 | 2,060 | 3,205 |
| Past and future net expenditure discounted to 1975-76 | 1,535 | 2,255 | 1,640 | 2,110 |
| External cost/benefit past and future, discounted to 1975-76 | 15 | 15 | — | — |

Destination: Philadelphia

A world traveler/businessman settles happily in America.

Aslan S. Aslan has "finally bought good furniture." Which is his way of saying that, after ten geographical relocations in a career spanning four decades and several continents, he has put down roots. His new home? America's fourth largest and perhaps most livable city: Philadelphia.

"I first came to the United States in 1947 to accumulate material and knowledge for my own import-export business," the Iraqi-born Aslan recounts. "My trips increased after 1954, when my transportation/packing company (Skyways Travel Ltd., headquartered in Tehran, Iran) was begun. My awe and admiration for this country was well established by then."

In 1965, Skyways opened its liaison office in New York, and in 1969 Aslan and his family moved to America permanently.

Shortly thereafter, the Philadelphia-based Quaker Companies—five worldwide businesses in import/export, packing, shipping and storage of household and general goods—invited Aslan to spend six months with their operations. He enjoyed his stay. And he and his family moved to Philadelphia.

Today, Aslan is executive vice president of Quaker Export Packaging Company, and president of its freight forwarding arm, Alla Brothers Company Inc. In his position, he makes extensive use of the city's assets.

"In almost forty years of business, I've dealt with conditions and facilities in cities all over the world—some good, many bad," Aslan comments. "Here in Philadelphia, the communications, air and rail terminals, port facilities and highways are among the best I've experienced anywhere."

Philadelphia has the world's third largest port—the largest international port in the U.S.—handling over 143 million short tons of cargo in 1974. The city's International and 42 regional airports moved 10 million passengers and hundreds of



thousands of tons of freight over 1975. Its geographical location at the heart of the east coast megalopolis is convenient to all markets—regional, national and global. And high-speed commuter trains place New York only 75 minutes north, and Washington D.C. only 105 minutes south.

The city has a strong and stable economy attributable to its highly productive labor force of over two million people, diversified industry and services, and its position as a major manufacturing/distribution center. Its residents are warm and enthusiastic, and the beauty of its residential areas is equal to most found elsewhere in the world, with housing costs 20% lower than other major U.S. cities.

Aslan and his wife live a convenient 20 minutes from his office. He finds that much of old and new Philadelphia reminds him of a former home: Tehran.

"The architecture, of course, is not the same, but the feelings of history and respect are. There is more than ever now an emphasis on the city's Colonial heritage, yet there exists a magnificent contrast between the modern and the traditional. It all works as one. And the friendliness of the people here has made it quite easy for us to adjust," Aslan concludes.

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Net profit for the year amounted to Lit. 7,829,324,086. The general Shareholders Meeting therefore approved assigning of Lit. 2,500 million to reserves which now total Lit. 23,000 million, and also authorized the distribution of a 12 percent dividend of Lit. 60 for each Lit. 500 par value share.

BALANCE SHEET AS AT 31ST DECEMBER 1975

| ASSETS | (millions of Lire) | LIABILITIES | (millions of Lire) |
|---|--------------------|--|--------------------|
| Cash and balances with banks | 3,328,930 | Capital | 45,000 |
| Ordinary Treasury Bills and other securities | 2,828,671 | Reserves | 20,500 |
| Bills receivable | 481,336 | Monetary revaluations reserve | 28,637 |
| Contra-loans | 8,503 | Profit brought forward from previous year | 147 |
| Advances and other accounts—customers | | Special reserve fund | 62,124 |
| and correspondent banks | 3,864,433 | Reserve funds for possible credit risks | 103,982 |
| Participations | 72,170 | Securities fluctuation fund | 35,000 |
| Buildings, equipment and furniture | 124,628 | Current and deposit accounts | 9,886,308 |
| Bills for collection and sundries | 253,512 | Advances from the Bank of Italy | 148 |
| | 10,963,183 | Provision for staff retirement indemnities | 173,593 |
| Customers' liabilities | 849,853 | Provision for taxation | 42,430 |
| Forward transactions in securities and foreign exchange | 1,166,308 | Sundry funds | 18,500 |
| Cross accounts | 3,932,823 | Provision for depreciation | 41,151 |
| | 16,912,167 | Other liabilities | 518,834 |
| | | Net profit for the year | 7,829 |
| | | Engagements, contingent liabilities and cross accounts | 5,948,984 |
| | | | 16,912,167 |

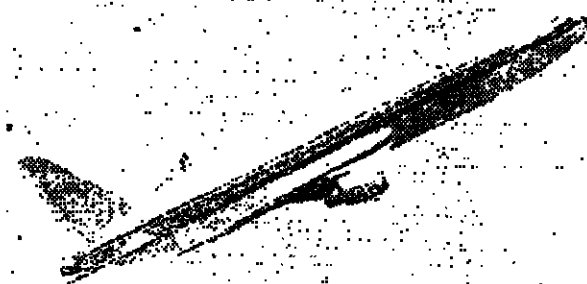
Credito Italiano

The Board of Directors confirmed Mr. Silvio Golzio as Chairman, and Mr. Michele De Michelis and Mr. Leo Solari as Deputy Chairmen. The dividend is payable on April 26, 1976 at all branches of Credito Italiano, Banca Commerciale Italiana, Banco di Roma, Banca Nazionale del Lavoro, Banco di Napoli and Banco di Sicilia, against Coupon No. 10 of the stock certificate.

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FINANCIAL TIMES REPORT

Tuesday May 25 1976

BISHOPSGATE OFFICE BLOCK

THE TALL NEWCOMER AT No. 99

By H. A. N. Brockman, Architecture Correspondent

KNOWN AS 99 Bishopsgate, Banking Corporation, Mercantile Banks and the British Bank of the Middle East.

Structural

Apart from the pleasant appearance of the exterior, the structural details are of considerable interest. Not unusual is the use of a central structural core containing the services such as stairs, ducting, lavatories and lifts. But the unusual method of erection comprised a slip-form upward sliding shutter whereby the reinforced concrete core was erected in six separate "bites."

The work was a continuous 24-hour seven-days-a-week operation with a rate of climb of 11½ inches per hour. Each of the shifts employed some 80 operatives and supervisory staff.

Coincident with the slip-

form operation was the erection of Redpath Dorman Long of the steel floor and structural frame surrounding the core. A thick raft foundation sits on large diameter piles and off the raft rises the tower block. The surrounding of the core with a structural steel frame was commenced before the completion of the slip-form operation, the core acting as a huge central column with pockets left in the walls to receive the ends of the steel floor beams. These are supported at their outer ends by the steel columns around the perimeter of the tower. Planks of pre-cast concrete span between the steel floor beams, the whole being topped by a reinforced concrete cover to knit planks and beams together.

The main constituents of the building comprise a lower ground floor and mezzanine, housing a car park, storage and plant. The podium occupies the ground, first and second floors and there is a public walkway at first floor level directly connected with shops, offices and a public house. This walkway will ultimately form part of the City Corporation system linked to all major buildings in the locality. The tower rises from the centre of the podium to the 27th floor with mechanical services plant situated between 14th and 15th floors and at the tower summit.

The main structural frame around the central core is of fire-proof steel. External cladding of the podium is in granite or marble and stainless steel.

Court yard

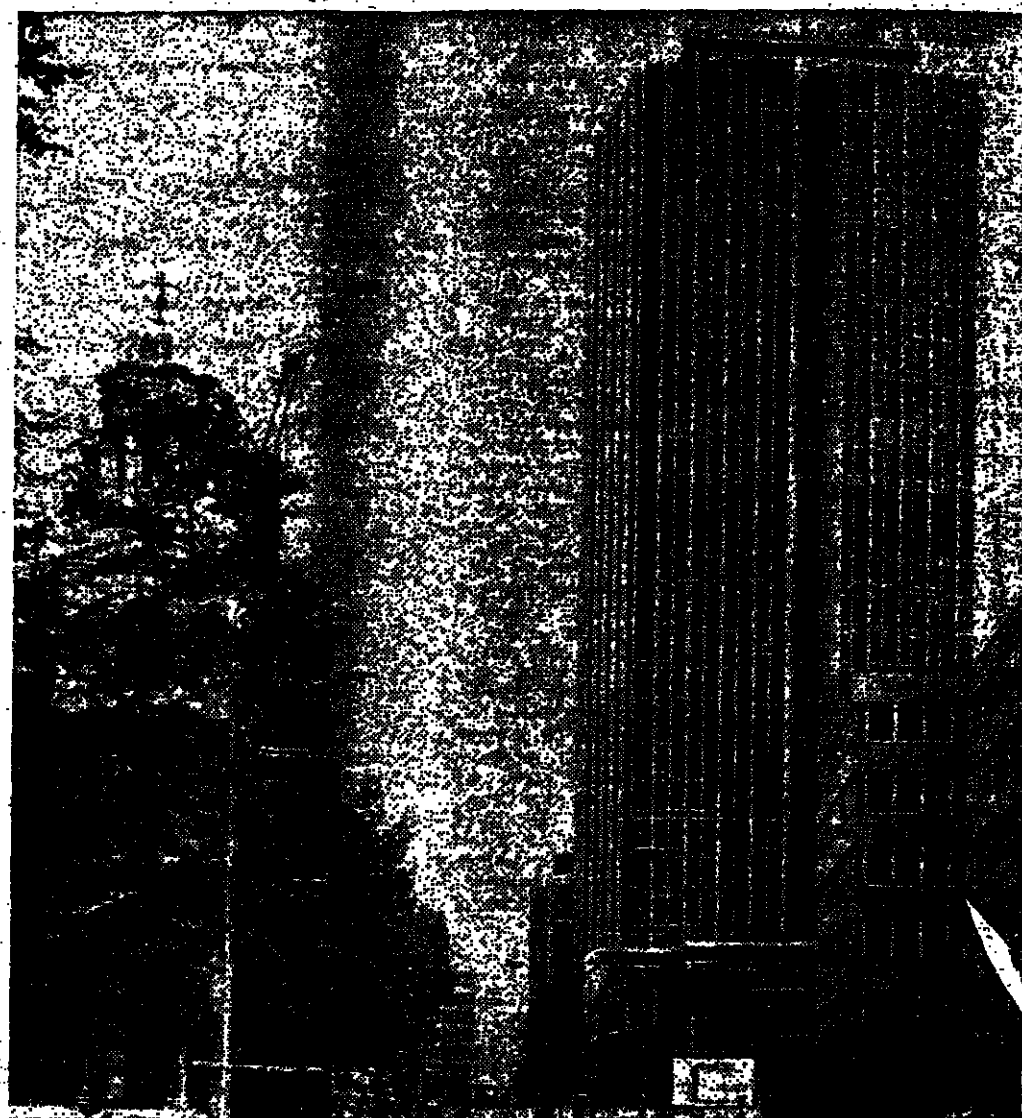
Access to the office accommodation is gained from Bishopsgate across a spacious courtyard, the landscaping of which was not complete at the time of writing but is promising enough. Entrance doors are of plate glass framed in stainless steel. The design of the entrance hall is striking, the walls being lined with a very beautiful rosy tinted Portuguese marble and occasional mirrors of dark glass. The flooring is of Italian marble of a harsh appearance, rather like brawn, which provides an

unfortunate contrast with the from the 3rd to the 26th floor, walls and the very good illuminative ceiling, also Italian, of cast glass.

All walls of office areas are finished with emulsion paint and floors carpeted. Flush light fittings are placed in the suspended fibre tiled ceiling. Staircases are finished with pre-cast polished granolithic.

The transformation of this area of Bishopsgate is going ahead at great speed. To the west of No. 99 rises the enormous National Westminster tower which will eventually be twice the height of the building which is the subject of this article. After World War I the 19th century flavour of Bishopsgate started to change with the great new range of buildings round St. Helen's Place, erected in 1928 and replacing the old Georgian square with the watchman's bell in its cage high up on the wall of the narrow entry.

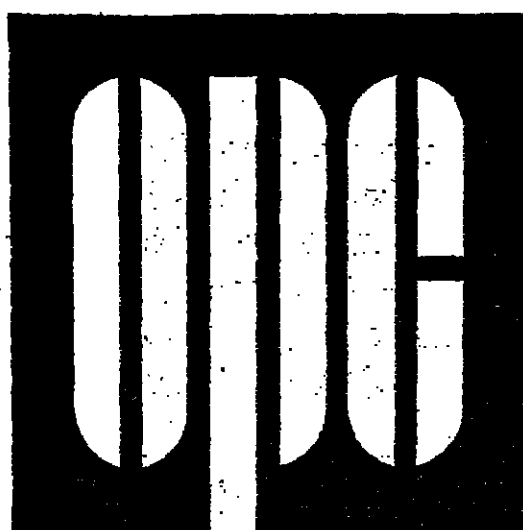
But it was not until the sixties that the area to the east and north east of St. Paul's started to explode, when one site after another surrendered to its Victorian incrustations to the demolition men and the subsequent towering edifices of today and to-morrow. But opposite the new building there still remains the diminutive 14th century St. Ethelburga's Church, with its "humble rag-faced front" (Pevsner), to remind us of the history of a street which had its origins as a main highway over a thousand years before that.



The new building seen from London Wall, with All Hallows church on the left.

| DESIGN AND CONSTRUCTION | |
|-------------------------|--|
| Architects: | Ley Colbeck and Partners with R. Seifert and Partners. |
| Structural Engineers: | Bylander Waddell Partnership and Pell Frischmann and Partners. |
| Service Engineers: | Matthew Hall and Troup Bywaters and Anders. |
| Internal Design: | Office Planning Consultants. |
| Air Conditioning: | Jaros Baum and Boles of New York. |
| Quantity Surveyors: | Wakeman Trower and Partners. |
| Contractors: | Trollope and Colls. |

The new headquarters of
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 at 99, Bishopsgate,
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BISHOPSGATE OFFICE BLOCK II

Latest of the line

BE the newest high-rise in the City of London is an honour any building has for long in the past two decades. 99 Bishopsgate, topped in June last year, with its floors formally opened to will also lose the title as the tallest building in the City of London when the National Westminster tower and of Angel t is completed. But there, a while, development ity on the grand scale in central area of the City is y to cease.

e economics of such mes no longer look so ctive. To start 99 Bishopsgate would be to pte nearly doubled ing costs—£45 a sq. ft. prove optimistic. Taxation velopment is more onerous al outlook is more ain. So 99 Bishopsgate probably remain one of the st City towers for a decade ne.

akes a good epitaph for a when the physical look e City has changed as ly as the activities within ill. Conceived at a time developers could afford to t a truly prestige building, chitecture has won much val. There is nothing about the exterior, though, ps another three floors not ratio did not allow for would have added to the of the tower.

fact that the main er is an international is in keeping with the ing importance to Britain City as the most cosmo- n of the world's banking. Also, without disrespect tish clearing banks, the ong and Shanghai Bank- Corporation is likely to the building with a little lastng glamour than a ank could.

h another foreign bank y in occupation, the ally important Al-Bank but for the pre-letting to the ad Al-Alami (Saudi Inter- ing Corporation, 99 Bishopsgate already added to the could have looked a white stance of this as a major elephant and financially

banking street, and, with the natural cut-off of the new Route 11 beside it, the building looks like forming a new boundary for the main banking sector of the City with, perhaps, the new Baltic Exchange offering a different focus for the lower and easterly side of Bishopsgate.

Before detailing the history of this landmark development, it is perhaps worth noting how it has straddled a decade when public attitudes toward such schemes have intensified. The first assembling of the site goes back to the days when Centre Point was just a new and somewhat revolutionary building. The start of construction coincided with the years when developers became unpopular with a remarkably broad section of society and with all the political parties. The building is being occupied at a time when, apart from a recognition of the importance of property assets to the working of the banking system, the blanket condemnation of all developers has died down and the benefits of new buildings and better designed office space are again being appreciated.

Cycle

The financial expectations for 99 Bishopsgate have followed a similar cycle. At one point, when City rents were confidently predicted to be heading for £30 a square foot for prime space, one could, from a forecast of its investment value, foresee a quite staggering profit for the developers. As it is, the extremes are now forgotten. Rents in the City, while still expensive by international standards, have fallen back to be nearer in line with those in other banking centres.

At the nadir of the market, but for the pre-letting to the ad Al-Alami (Saudi Inter- ing Corporation, 99 Bishopsgate already added to the could have looked a white stance of this as a major elephant and financially

precious. Now the lasting value of the best space in the City is starting to reassert itself. The Prudential Assurance has a sound investment and the developers have made a profit, but not one that could be classed in the offensive category of some of the extraordinary one-building profits made in the boom years.

The origins of the development go back to the position of Hambros Bank, owning and occupying 41-51 Bishopsgate, and starting to buy up properties further down the street, on what was then known as the Ethelburga site, with a view to building a new headquarters for themselves there and also re-developing their existing premises as a second tower, this being part of the City where high-rise development was encouraged. At the same time the late Felix Fenston was also buying on the Ethelburga site. He was one of the most successful of post-war developers and is said to have taught Harry Hyams many of his skills.

But before the site was fully assembled, Fenston had died in 1970 and the scheme was much altered. The plan for two towers was dropped. Hambros, which through an associate N.H. Properties also owned 55, Bishopsgate, would refurbish the older buildings, remaining in part of them, and there would be just the one new tower. Before the development was started, N.H. Properties was merged with another Hambros-related company, Berkeley Property and Investment, creating Berkeley Hambro Property.

The development site, at the time of the merger, was in the N.H. Properties books at £8.4m. and Bishopsgate Developments was formed as a joint, 50-50 company between Berkeley Hambro and the executor and associates of Felix Fenston, contributing their part of the site.

The Prudential Assurance was involved with the developers from the start, being a shareholder in the Hambro companies (currently holding 13 per cent. of Berkeley Hambro), subscribing for an £8.1m. first mortgage debenture to N.H. Properties and buying the freehold as part of further funding of the tower. The planning permission, following a trade-off on the part of the site required for Route 11, was for a 5.5:1 plot ratio.

Construction began in 1972, with the main contracts for both foundations and superstructure going to Trollope and Colls, the longest established builders in London and responsible for more City landmarks than any other, recent examples being the Stock Exchange, Leadenhall House, Billiter Buildings and the extensions to the Guildhall. The contract (which will come in at around £10m.) had not progressed far before Hongkong and Shanghai Banking Corporation emerged as a serious negotiator to take a large part of the tower and the base of it as banking hall space.

To the developers the significance of such a possible pre-let was two-fold. One, a banking covenant such as the Hong Shang was the type of security they wanted and if you are to have a major bank as tenant a pre-let is the ideal way, since banks have to alter finished buildings substantially to accommodate vaults, security systems and halls (developers and tenants could rearrange building schedules, with Trollope and Colls also becoming main contractor for the bank's work). Secondly, the developers maintain that, even in those bullish days when rents looked like rising for ever, they never intended to keep the building empty for longer than was necessary to get it acceptably let.

Incentive

With the turn in the market, this policy served them well. When the bank took its 180,000 square feet of the 300,000 square feet net area, rental values were still approaching £20 per square foot for good office space and more for banking hall space. So, while the rental agreement has not been revealed, Hongkong and Shanghai Banking Corporation probably agreed a lease at over £3m. a year. This, in to-day's market, where that rent might be reduced by a quarter, gave the bank an incentive to consider buying out a lease on the whole building. They could escape what now looks like an onerous rental, and, should the market improve, benefit by rent reviews on the 11 upper floors of 120,000 square feet.

Hence, earlier this month, the bank paid Bishopsgate Developments £32.35m. for the head leasehold of the entire building. This head lease is for more than 100 years. It might be that at some time in the future the bank would want to expand



One of the office interiors.

upwards in the tower. For the present, its purchase reflects a preference for owning its own property and also emphasises "the group's confidence in the importance of the City of London." The City office of one subsidiary, Mercantile Bank, and the headquarters of another, the British Bank of the Middle East, are also within 99 Bishopsgate, so it is a formidable London presence which has grown from the British merchants in Hong Kong who started the whole show in 1884.

The freeholder remains the Prudential, who bought the site in a geared sale and leaseback package as part of the funding of the scheme. The head lease rental has, again, not been half way up its eventual climb, publicly stated, but is thought to be around £1m. a year. So, bound up with the main

although the exact figures are not yet known, the order of a profit made by Berkeley Hambro (which had the interest in its books at £10m.) and the family and associates of Felix Fenston, after bearing some share of development costs, can be guessed at.

That, however, is now only history, and it has taken a decade to bring the scheme to this point (not unusual in property development terms and certainly not long by the standards of the very complicated NatWest tower next door, where building began before that of 99 Bishopsgate but providing immediate personal contact with the heart of the City).

Quentin Guiridham
Property Correspondent

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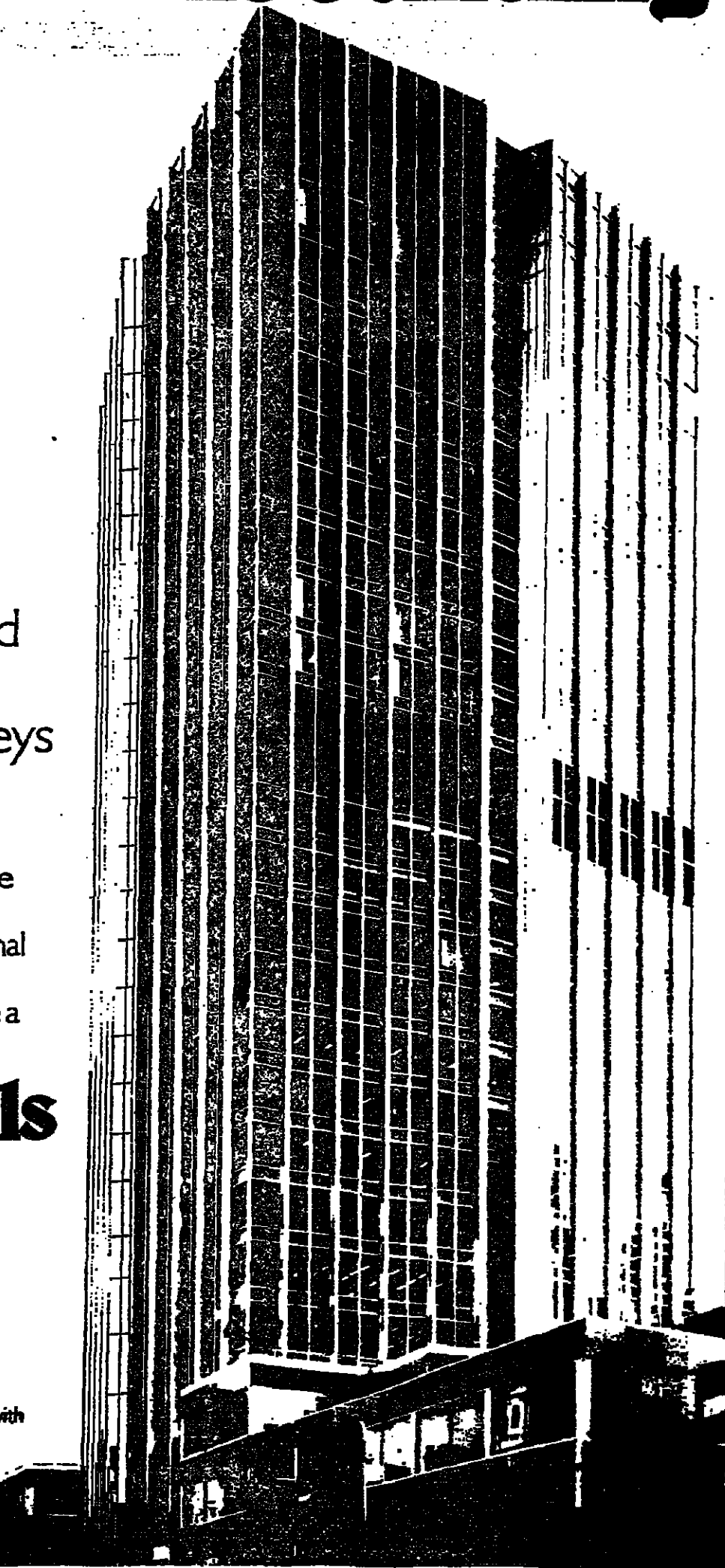
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Felixstowe Bill gains 31 majority

By Justin Long

THE BILL authorising nationalisation of Felixstowe harbour gained its third reading in the Commons last night by a Government majority of 31 (278-247).

But as the Bill was made ready to go to the Lords, the Opposition declared that the fight against it would go on and that the next Tory Government would enable Felixstowe Dock and Railway Company to be returned to private enterprise.

Mr. Norman Fowler, Tory shadow Transport Minister, said: "We won't be content until the private sector has had an opportunity to buy back Felixstowe."

The Bill, which is expected to meet strong criticism in the Lords, denies European Ferries its right to retain control of the Port of Felixstowe, the largest port in Britain still in private hands.

'Well-balanced farm charter'

LEGISLATION to enable agricultural tenancies to be inherited would not be "a charter for bad tenants," Lord Melchett, Industry Under Secretary, told the Lords yesterday.

"When the scheme has been working for a time, it will be recognised as a well-balanced piece of legislation, fair to the interests of farmers, both landlord and tenant. It will lead to an improvement in farming standards," he said.

Lord Melchett was moving the second reading of the Agriculture (Miscellaneous Provisions) Bill, which introduces the right of succession by close relatives to agricultural tenancies.

Tax relief limits raised

By Eric Short

THE GOVERNMENT has changed its mind about abolishing the one-sixth of income limit on life assurance premiums which qualify for tax relief.

The Finance Bill, when published, proposed to replace the present one-sixth limit by an absolute amount of £1,500-£750 each if husband and wife are taxed separately.

This move was opposed by the Conservative Opposition and by the life assurance industry which stated that it would inhibit the development of certain types of life assurance contracts.

Now the Government has tabled amendments to the Finance Bill which effectively make the limit the higher of £1,500 (£750 if husband and wife are taxed separately) and one-sixth total income.

Sterling drop means 'slippage' in progress to lower inflation

By Our Parliamentary Staff

BECAUSE OF the "unexpectedly sharp decline" in the sterling exchange rate, it may not now be possible for the Government to reach the target of reducing the rate of inflation to a single figure by the winter, Mrs. Shirley Williams, Secretary for Prices and Consumer Protection admitted in the Commons yesterday.

During question time exchanges in which she clashed with Mrs. Sally Oppenheim, the shadow Prices Minister, Mrs. Williams envisaged a "slippage" of about two months in achieving the target.

She estimated that the fall in the value of the pound in the past two months would probably add 2½ points to the retail price index.

While repeating the Government's view that sterling is now undervalued and pointing to the possibility of a recovery in the exchange rate, Mrs. Williams acknowledged concern expressed from both sides of the House about the rise in import prices.

"There is no doubt that there is a hardening of raw material and food prices in the rest of the world owing to the gradual recovery of the world economy," she said.

The clash with Mrs. Oppenheim came after the Minister had reported that over the 12 months to April 1976, the retail

price index increased by 18.9 per cent. In what she termed a "horrible indictment" of the Government's overall record, Mrs. Oppenheim stressed that since February, 1974, prices had risen by 50.9 per cent. This, she contended, was largely the result of a combination of the "profligacy on the part of the Government and the excesses, in the past, of certain trades unions."

"An attitude of humility and repentance rather than arrogant boasting would be more appropriate in this situation," she declared.

Mrs. Williams confirmed that there had been a 50.9 per cent increase in prices over the past two years but reminded Conservative MPs that the import index increased by 64 per cent between the second quarter of 1973 and the second quarter of 1974, and that the threshold agreements negotiated by the Heath Government had triggered an eight per cent increase in wages in May 1974.

When Mrs. Williams disagreed and claimed that there was already recognition overseas of the achievement of the people of Britain in accepting a degree of restraint on incomes which was regarded as unprecedented and even incapable of achievement only a year ago.

Interests

She went on to attack Mrs. Oppenheim for denying that the rate of inflation had been halved in the last year and quoted a leading article from yesterday's Financial Times indicating its view that the current annual rate

of inflation was down to 13.5 per cent compared with 25 per cent in the first half of 1975. Backed by Government cheers, Mrs. Williams insisted: "It serves nobody's interests, including the interests of this country, to underestimate continually the massive achievement in fighting inflation."

Mr. Bob Cryer (Lab., Kelshay), emphasised that the continuing devaluation of the pound meant that wage earners had to face increased costs. He urged that the "crisis of capitalism" which had confronted successive Labour Governments should be dealt with by tighter exchange controls.

Mrs. Williams commented: "I agree that if the patriotism which is shown by the great majority of our people was shared by some who have indulged in currency speculation we would, as a country, be even further on the way to recovery than we are at the present time."

When Mr. Ian Gow (C, Eastbourne) suggested that the decline in the external value of the pound would go on until the public sector borrowing requirements were cut, Mrs. Williams disagreed and claimed that there was already recognition overseas of the achievement of the people of Britain in accepting a degree of restraint on incomes which was regarded as unprecedented and even incapable of achievement only a year ago.

Sectors

She underlined the justification for at least some price rises by stating: "There are certain sectors of industry undoubtedly where the return at the present time is below the cost of borrowing money in order to invest."

"It is that kind of thing which we are turning our minds to and I think the entire House, on consideration, will recognise that this is not in the national interest and not in the interests of full employment."

Replying to backbench Labour fears of the consequences of what Mr. Max Madden (Lab., Sowerby) described as the "carefully orchestrated campaign by big business" to dismantle the price code, the Minister said the Government intended to ensure that any new money for investment was directed to the domestic economy, and not dissipated in investment abroad.

Mr. Shaw maintained that the removal of the price code would Act 1972 and, with his seat, only increase the retail price index by something of the order of one per cent.

Mrs. Williams reported that it was not reasonable to advocate tight control over incomes without any form of control over prices.

But she believed that the TUC would accept relaxation in the control over prices where the increases were directly related to improving domestic investment.

Tightrope Self-assessment 'will lead to big tax savings'

By Our Parliamentary Staff

By Peter Hennessy, Lobby Correspondent

THE GOVERNMENT will be walking a "tightrope" in the negotiations on revising the price code to encourage investment and jobs, Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, told the Commons yesterday.

Her assurance that profit and cost controls will be retained and failed to allay fears among some Labour backbenchers that Government agreement to price rises could undermine the new pay deal, while Tory MPs cheered Mr. Giles Shaw when he urged from the Opposition Front Bench that the price code should be scrapped.

Mrs. Williams stated that the Government's proposals for revising the Price Code would be set out in detail in a consultative document to be published next month.

It was Mr. Jeff Rooker (Lab., Peterborough) who first suggested that Government agreement to a higher price rises in advance of the TUC Special conference on the 4½ per cent wages agreement would be interpreted by working people as an attempt by the Government to undermine the new wages policy, and sell trade union leaders down the river.

Mrs. Williams agreed that the Government would have to walk a tight line between the maximum restriction of unnecessary price increases and the necessary measures that had to be taken to encourage investment and new jobs.

When Mr. Neil Martin (Con., Barnet) spoke of the Minister having to "walk the plank" Mrs. Williams stressed that she preferred the "tightrope" because it had, another end to it.

SIGNIFICANT savings in the administrative costs of raising prices could be achieved if the Government changed to a system of self-assessment by taxpayers, Sir Norman Price, chairman of the Inland Revenue, said yesterday.

He told the general sub-committee of the Commons Select Committee on Expenditure that to achieve this, simpler alternatives would have to be found for four types of personal allowance: mortgage interest relief; housekeeper, child and life assurance allowances.

At present, administrative costs absorbed 1.75 per cent of every pound of revenue raised, Sir Norman said. Britain could get much nearer to the equivalent American figure of 0.49 per cent, only if self-assessment were introduced.

The Inland Revenue had conducted an experiment by asking 2,000 taxpayers to code themselves. Sixty per cent of the arrangements were necessary.

If the Government approached management and dealing the Civil Service Department in 1968, the Revenue, the mortgage and life insurance companies within the ability to improve efficiency and control of manpower costs in years.

Sir Norman said the only way Whitehall

to achieve significant reductions in Inland Revenue staff levels was to abolish taxes. His department had had some "very sad experiences" thanks to decisions taken by the House of Commons in the past 15 years.

Sir Ronald Radford, chairman of the Customs and Excise, told the committee that the cost of raising revenue had almost doubled in his department since 1970. This was due mainly to the introduction of VAT which cost 2p in the £ to collect.

Mr. Fred Jones, deputy secretary in charge of the general expenditure division at the Treasury, said the Government had set up an inter-departmental committee to examine the economic and social impact of taxation changes.

He hoped the introduction of cash limits would help to achieve greater efficiency in Whitehall.

"The cash limit will be a useful lever and a useful pointer to whether a department is meeting its public expenditure plan," he said.

Mr. Jones would not accept suggestions from members of the committee that by having on the Treasury and dealing the Civil Service Department in 1968, the Revenue, the mortgage and life insurance companies within the ability to improve efficiency and control of manpower costs in years.

Devolution statement may be made to-day

By Our Lobby Correspondent

MR. MICHAEL FOOT, Lord President, is expected to indicate that the Government is willing to consider devolution to the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly.

He is expected to make a statement on the issue to-day or to-morrow.

The Cabinet's devolution committee met yesterday under the chairmanship of Mr. Foot to put the final touches to the statement.

The proposed assembly in Edinburgh is likely to be given control over the £300m. funds of the Scottish Development Agency, as demanded by much of Scottish opinion since the White Paper was published in November.

Mr. Foot will stress, however, that the Government's policy was directed to the domestic economy, and not dissipated in investment abroad.

Mr. Shaw maintained that the removal of the price code would Act 1972 and, with his seat, only increase the retail price index by something of the order of one per cent.

Mrs. Williams reported that it was not reasonable to advocate tight control over incomes without any form of control over prices.

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Race explosion will make Ulster enviable—Powell

By Justin Long, Parliamentary Correspondent

MR. ENOCH POWELL last night roused protests and repudiation from both the Government and the Opposition when he shocked the Commons with prophecies of an "inexorable" build-up to racial clashes. Divided communities in our major cities using guns and explosives would make Belfast seem an "enviable place" by comparison, he said.

It was a startling renewal of Mr. Powell's "rivers of blood" speech of a few years ago, and both Mr. Roy Jenkins, Home Secretary, and Mr. William Whitelaw, Opposition shadow Home Secretary, condemned this picture of the situation.

The dangers from the pressures of immigration from Asian countries had been "grossly exaggerated" by Mr. Powell, declared Mr. Jenkins. "By a slip of the hand, he tried to equate this with the growth of violence and crime comparable with or worse than that of Belfast."

At another point, the Home Secretary accused Mr. Powell—£1,500 (£750 if husband and wife are taxed separately) and one-sixth total income.

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"nonsensical arguments" to hte House.

But for the most part Mr. Powell, speaking from the Ulster Unionist quarter on the Opposition backbenches, refused to be interrupted in his warnings of disaster unless the present admission policy for immigrants were radically altered.

Mr. Aitken's motion, which was approved without division, called on the Government to give a clear and accurate statement of its immigration policy. He said there was a background of rising public anxiety about Commonwealth immigration.

"By sheer weight of numbers the brain drain of the 1960s has been transformed into the middle management drain of the 1970s. It amounts to a hemorrhage of talent which Britain can ill afford."

From the Labour side, the fears over the consequences of the growth of the immigrant population were put by the former Government Chief Whip, Mr. Robert Mellish.

Reinforcing the contention that the time had come to halt the flow of immigrants, Mr. Mellish renewed his recent appeal to the Government to say that "enough is enough."

Mr. Powell, United Ulster Unionist MP for Down South, who raised it in yesterday's debate on immigration.

Among the factors listed in the Hawley report were: an established industry helping illegal immigrants come to Britain. A queue of between 50,000 and 70,000 would-be immigrants in India alone—with no sign of the pressure easing; second and third wives being admitted to Britain as "dependants"; a method by which male "families" buy their way into Britain with the girl's family in Britain absorbing the new immigrant. The going prices is a dowry of 20,000 rupees. Wives acted as "couriers" for more than one batch of children

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Mr. Alex Lyon, former Minister of State at the Home Office, said last night he had seen the Foreign Office report and written a counterreport of his own contradicting many of its findings.

The Foreign Office document which was compiled at the end of last year by Mr. Donald Hawley, an Under-Secretary in the migration and visa department of the FCO, was leaked to Mr.

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The Executive's World

EDITED BY JOHN ELLIOTT

The Littlewoods Organisation is one of Britain's largest private companies but little has been revealed about its operations since it was founded in 1924. Now Elinor Goodman traces the growth of this family business which has gradually been developing a more public corporate image.

The private giant from Merseyside

ASK THE average man in the street what he associates with Littlewoods and the chances are he will say "pools." Ask a man in the City the same question and, though he may know the name, he will tend to stress its family-run business aspect, as such it cannot be judged by normal financial criteria.

Both images are out of date, but they are the price the Littlewoods Organisation has paid for its privacy. It has so carefully guarded its operations over the years as one of Britain's largest private companies. The irony is that it has been a success in the pools side, which has led the company to keep such a low profile, yet it is still pools which the company is associated with. In fact, the pools business, with an annual turnover of around £110m., is relatively small compared with the organisation's retailing turnover in 1974 of around £470m. About 90 per cent of this came from mail order business which includes six separate catalogues: Littlewoods, Peter Craig, Fraser, John Moores, Hinton, and Brian Mills—the rest from the 100 Littlewoods variety stores.

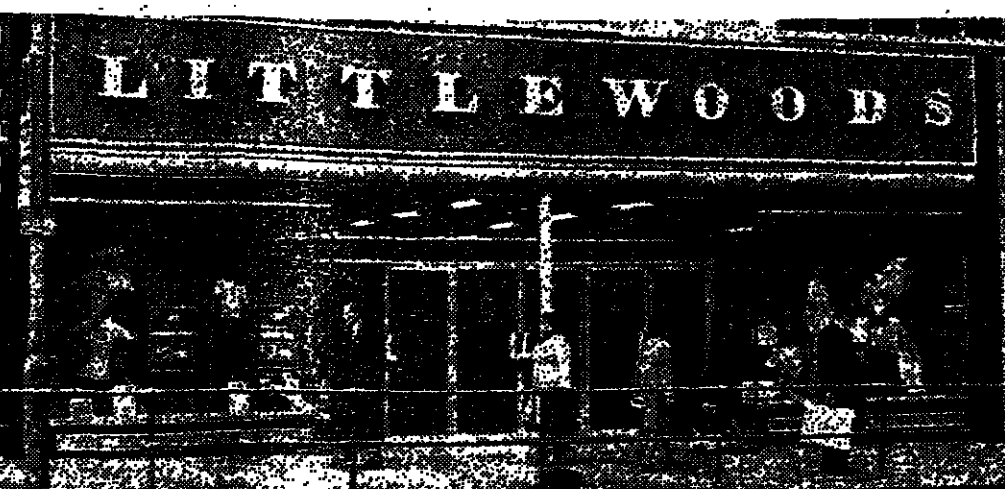
The presence of the "Family" still pervades the business, particularly in the form of Mr. John Moores, the 80-year-old founder and present chairman of the company. But though major decisions are never taken without the consent of the "Old Man," and the family still retains all the shares, the day-to-day management is in the

hands of a team of men who are not related to the Moores. The exception to this is the pools side which is run as a completely separate organisation by John Moores' brother Cecil. John Moores himself announced his intention of retiring as chairman in 1971 but a replacement has yet to be found. In some ways, the company still feels like a family business. Members of the Moores family are referred to in public as Mr. John, Mr. John Junior, and Mr. Peter. The latter two, both sons of Mr. John Moores, are now non-executive directors and have stopped working full-time in the business, though there is some speculation that Mr. Peter will eventually take over as non-executive chairman.

business, he is still a non-executive chairman who makes his opinions felt to the extent that some of his senior executives seem to have an extra sense which automatically gauges his reactions. Against this slightly old-fashioned feeling about the business (heightened by the fact that everybody from the directors downwards have to clock in every day), the company, which employs about

229,000 people, was one of the first big retailing organisations to encourage union membership. It has also gone some way to involve employees in job evaluation schemes and to lessen the tedium of the clerical work in the mail order business. Much of the order-handling work is still very boring but the company has created some smaller working teams, where girls combine what used to be several separate functions but deal with fewer agents, thus giving the staff more sense of personal involvement with the agents.

It also invested in computers as long ago as the mid-1950s and invented a method of specifying computer requirements which has now been adopted by computer companies for other customers. On the mail order side, as orders arrive in the



A Littlewoods store in Brixton, south London, and (right) Mr. John Moores, the founder and chairman of the Littlewoods Organisation.



Retailing

An indication of Littlewoods' importance in retailing is that the company now claims to have overtaken Great Universal Stores as Britain's largest mail order operator and that its sales of £160m. through its chain of 174 Home Stores, in fact, rivalled those of the published £242m. of the British Mail Order Corporation and Kays of Worcester.

sinces but GUS in turn aims that this does not reflect a full spread of the GUS mail order U.K. turnover.

in terms of Littlewoods' pre-profit, which in 1974 reached £1m. 55 per cent. came from mail order and about 30 per cent from the chain stores. The 15 per cent. came from

the price—the whole nature of the mail order business changed. In the ten years from 1948 to 1958 the industry's turnover increased from £30m. to £150m. with Littlewoods taking about 18 per cent. The growth of the chain store business was blocked by post-war building regulations until the late 1950s but by 1960 the company, which had gone into the war with far less stores than its modern-day competitors like British Home Stores, had 60 branches with a turnover in the High Street of around £18m.

In 1953 the company took a decision to bring together in Liverpool the buying organisations for both the mail order and the chain stores businesses. The amalgamation was not without its problems—not least because the 22 per cent. of the £200m. mail chain store buyers did not want

order sales market but by 1968, when the total market was worth £511m., its share had fallen to under 20 per cent. With costs going up, and margins broadly maintained, Littlewoods' prices were not competitive in the mail order business or as competitive as before in the chain stores.

These two diversifications not only had a direct effect on profits (the profits' history is confused by the fact that in the 1960s most of the mail order businesses were operating as trading partnerships and therefore did not show up in the balance sheets) but also tended to distract the management's attention from the two existing retail organisations. The chain store business grew, as new stores opened, but growth from existing stores was slower than for other groups like Marks and Spencer. On the mail order side, profits also suffered from the opening of yet another catalogue operation and its share of market therefore dropped. In the early 1960s, Littlewoods was taking about

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Computers

But, despite these problems, the company had a strong base from which to grow. Turnover from retailing in 1970 was standing at about £170m., and the general upturn in the economy meant the company was in a position to exploit both the investment in computers, which had taken place in the mid-1960s, and the re-organisation of the buying department. By 1970 a new management team had gradually begun to evolve under the direction of Mr. John Mr. George Watts, a long serving member of the company, took over as managing director of the retail organisation in 1969, while at about the same time Mr. Philip Carter, who was recently appointed joint managing director

and will take over from Mr. Watts when he retires next year, was moved from the buying side and back to the stores. Mr. Derek Jackson, was brought in from United Dominions Trust while Mr. Archie Hutchison, who had previously been in charge of the buying department, was made director in charge of the mail order side. Mr. Stanley Page, another long-serving member of the company, was made general manager of the chain store division. The process of consolidating the various trading partnerships continued and by 1970 the balance sheet began to reflect a more accurate picture of the size of the company's business. This made it possible for Littlewoods to borrow money from the banks on a far larger scale than before and also marked a significant step in the public emergence of the company. ● A second article on Littlewoods' retailing business will follow.

The Littlewoods Organisation and Subsidiary Companies Consolidated Profit and Loss Account for the year ended 31 December, 1974

| | 1974 £'000 | 1973 £'000 |
|---------------------|---------------|---------------|
| Turnover ex VAT | 342,439 | 251,601 |
| Profit before tax | 28,165 | 22,778 |
| Less Tax | 15,972 | 9,815 |
| Extraordinary items | 765 | (1,978) |
| Dividends | 229 | 232 |
| Retained Profit | 11,199 | 14,709 |

The Littlewoods Organisation and Subsidiary Companies Consolidated Balance Sheet 31 December, 1974

| | 1974 £'000 | 1973 £'000 |
|--------------------------|----------------|----------------|
| CAPITAL EMPLOYED | | |
| Fixed Assets | 118,866 | 112,576 |
| Trading Partnerships | 18,568 | 30,544 |
| Current Assets | 115,889 | 79,996 |
| Less Current Liabilities | 253,323 | 223,116 |
| TOTAL | 176,124 | 146,886 |
| REPRESENTED BY | | |
| Shareholders Funds | 131,058 | 119,823 |
| Loans and Mortgages | 26,077 | 23,783 |
| Deferred Taxation | 18,989 | 3,280 |
| TOTAL | 176,124 | 146,886 |

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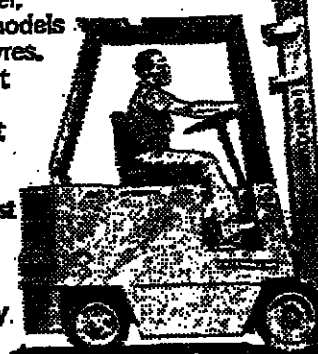
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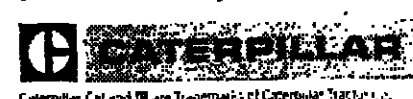
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The lost impetus of American reform

WHO live in Western both Vice-President Spiro Agnew and President Richard Nixon: the threat of our interest that America could be prosperous, stable, and sufficiently well-governed to charge its responsibility as a prime source of the strength of the western world. For many years it has seemed that none of these, now it seems to be falling back into shape than at almost any time since the assassination of John F. Kennedy.

That is not to say that all needs of the worse-off Americans are being met, for they are not, or that the wars have been so painfully recent after the great division that followed the failure of Mr. Kennedy's administration have appeared, for they have not. It means that the turmoil arose from the perception of many Americans of their country's previously untroubled existence, at least for the time being, subsided. If one looks for a moment what happened since 1963, the survival of the institution of the nation is a remarkable irony to their strength and hence.

Using those 13 years the has digested a revolution in the legal status of its black population; a series of ugly acts; the assassination of two elder Kennedy brothers of Martin Luther King, and the crippling of Mr. George Wallace, the Vietnam war (in some 60,000 Americans killed and five times as many wounded, all in vain); the ending into isolation of President Lyndon Johnson; and the peace and resignation of

"Please sir . . ." I have heard other graphic anecdotes in support of the contention that the universities are now citadels of conservative behaviour, including the unlikely story that many "co-eds" are now not only practising religion but telling their boy friends that they must save themselves for their future husbands.

The draft is not the only factor, however. If you put together everything that seems to be happening now, the total is not so much an incoming tide of conservatism as a (possibly temporary) retreat of the idealists, the reformers, the liberals, the improvers—all those usually attractive, if at times rather dotty, Americans who for the present seem to be a spent force.

This is certainly the assessment of those who study these matters, from political scientists in Harvard to poll-takers in Boston, New York, and Washington, although they all put it in different ways. Mr. Scammon, the recession of militant liberalism is a return to normal. In the minds of average Americans, as he sees it, the reformers always were the outsiders. To Mr. Sidney Verba at Harvard, co-author of the newly published *The Changing American Voter*, many of the liberals' arguments have been settled: the idea of equal opportunity for black Americans is now broadly accepted (even if busing is not); social programmes such as Medicare are no longer ideologically unacceptable; and government interventionism—as, say, in a new incomes policy—might be tolerated.

To Mr. Patrick Cadell, the poll-taker for Mr. Jimmy Carter, the people are waiting for someone to lead them. "They want a leader who will articulate new goals and speak candidly about what has to be done," but at the same time they have learned that expensive new programmes do not necessarily work. They would not, judging by this argument, accept the Kennedy appeal to "get this country moving again," and it would be surprising if Mr. Carter, who Americans like his smile and his hair, were to try such an approach. "There is less innocence about these matters," Mr. Cadell says. Such leadership and articulation as Mr. Carter is capable of will not be put on public display until (unless?)



Mr. Jimmy Carter: The smile may be similar to JFK's but the approach is different.

he wins the nomination of his party as its candidate for President. But whichever way it is, the underlying truth remains the same: the American public has willed an end to unrest, or even to desirable social reforms that might stir up such unrest. "The radical movements which once so alarmed the protectors of the realm and its orthodoxies have all but disappeared," the New York Times noted on Sunday in the tone of a general lamenting the end of battles past. "The civil rights forces are on the defensive, trying desperately to halt the erosion of their tenuous gains."

It is this last observation that should give pause to those who

might otherwise delude themselves that the return to calm (Spanish-speaking Americans) is a wholly beneficial phenomenon. Civil Rights workers with whom I have spoken during the past week acknowledge the well-known gains made by black Americans since President Eisenhower started integrating the army and the Supreme Court decreed the integration of the schools. But the best of the proposals are the process has by no means reached a satisfactory conclusion.

President Johnson was the last national leader to speak out boldly and decisively for the blacks. Since then the impetus that formerly came from the White House, Congress, and elsewhere has been lost, so that we now have President Ford vacillating about the highly emotional issue of taking white children to mostly black schools by bus. Unemployment among non-whites remains at a level about twice as high as the national average, and dependence on such poor relief devices as food stamps persists.

In politics integration has worked: blacks do have the vote and do win public office. It has worked in the armed forces. Blacks contributed more than their fair share of the Vietnam dead. Integration has helped the more prominent or successful blacks: they no longer are automatically driven out when they move to the suburbs. But the city centre ghettos have hardly changed and, say those who work among their people, where there is change it is relatively for the worse.

The same applies to the poor. Americans discovered that there should give pause to those who

and it is something that for the worst reasons needs no teaching to the conservative candidates—Mr. Ford and Mr. Ronald Reagan. The need for reform is so obvious that even a Ford or a Reagan would find it difficult to stop altogether, particularly with a Congress whose new committees and powers, adopted during the troubles, has so manifestly tried to reform itself. Under the Republicans reform must be too slow and too fragmentary, but under neither party would it be divinely rapid.

To us outsiders the element of self-interest in all this is the ability, or lack of it, on the U.S. to counterbalance Soviet power. Angola was a debacle, yet those who study current public opinion and opinion for many years, back seem to agree that if a foreign imperialism seems sufficiently threatening to American interests, or sufficiently outrageous, it will be possible for a future President to mobilise popular support, in spite of the neo-isolationist bonanza for peace that is still the major factor in Washington's calculations. There is nothing new in a lame duck president at this time in the political cycle. Barring accidents (for all the above analysis could be invalidated by a single bullet), the U.S. will have a newly-elected president in seven months' time. It will have a sobered Congress in which the Vietnam radical contingent is smaller or at any rate older. It will also have a public that, on the present evidence, is longing to welcome fresh leadership and a complete break with the miserable years.

Working order

Yet the constitution, which is nearly 200 years old, has survived it all, in fair working order. How many Western European countries could claim as much? The most outstanding reason for this return to stability is, of course, the end of the conscription that accompanied the Vietnam war—a war that began before President Kennedy took office, and whose consequences are still felt.

The ending of the draft has had a remarkable effect. "Students used to address people like me as: 'you bald-headed old coot,'" says Mr. Richard Scammon, one of the more objective political poll-takers and a former director of the Census. "Now they put up their hands and start:

Letters to the Editor

Transport policy

The Director, 4th Road Federation, Sir—Mr. Douglas Jay in his "Treasury on the wrong" (May 14) pursues a path he has established over 15 years of claiming that the programme should be cut even abandoned. This time he has linked his claims to new consultation on road policy. So far as I recall this is the first time Mr. Jay has accepted that a road programme is "no bit desirable like almost any other," but possibly induced by reading the consultation paper which demonstrates that roads have—and will continue to have—in the movement of people and goods.

The document itself cannot avoid emphasising the importance of roads. To relieve congestion and to provide for future traffic—whether industrial, commercial or private, whether by lorry, bus or car—a limited mileage of new and improved motorways and other roads is necessary. Only in a manner involving the secure safety and security.

We shall be saying this in our response to the Secretary of State. And I urge all those who are concerned with the economic welfare of our country, and who recognise the present need for better mobility for people and their goods, to make sure that their voices are heard during the present debate on the Transport Policy Green Paper.

R. H. Phillips, 25, Newmarket Square, London, W.1.

Evaluating roads

From Mr. C. J. Fox, Sir—Mr. Douglas Jay (May 14) is surely right to question the economic case for new motorways, particularly following the revelation in "Transport Policy" that those schemes originally in the 1,000-mile motorway programme do not require economic appraisal.

Although cost-benefit analysis is now being used in the evaluation of new roads, the technique itself requires a number of assumptions to be made. The traffic forecasts themselves are highly speculative and, as Mr. Jay points out, the major benefit comes in terms of time saved. But what do we assume about the average speed of traffic? Certainly there is a world of difference in terms of benefits between the 45 mph and 53 mph parameters often used.

We should all be concerned that even where benefits are assumed to be at a maximum for a new motorway, the resulting imputed first year rate of return on the capital cost is so often less than the cost of servicing the capital employed.

Not surprisingly for a Department renowned for its secrecy, the Department of the Environment do not publish such information. However, it is known that in the case of the proposed 42-mile long extension of M1 north of Leeds, the Pudsey-Dishforth motorway, the rate of return is well below 15 per cent. On the present day cost of not less than £180m.

Although a major trunk road has failed both the financial and cost-benefit criteria, the Pudsey-Dishforth scheme remains firmly in the road preparation pool according to Government statements. This and other similar cases suggest that attempts to appraise new roads in either financial or cost-benefit terms are largely academic to Governments which respond more to the pressures of

the road transport lobby than to economic reality.

C. J. Fox, Cambley, Bramhope, Nr. Leeds, Yorks.

Local lotteries

From Mr. George Levy, Sir—Mr. Hugh Leggat (May 24) rightly advocates the consideration of financial aid to provincial museums by means of local authority lotteries, and says that "for a variety of reasons it is undeniable that private support for such institutions is becoming less and less forthcoming."

The urgent necessity for such funds has in fact been accelerated by the government's own neglect in failing promptly to disclaim the potential threat to our artistic heritage which was revealed by the findings of the Select Committee on Wealth Tax. Owners of works of art of national and historic importance may decide to sell them in anticipation of the introduction of a wealth tax which would be levied on the sale in a manner involving the admissible principle of a tax on an already existing tax liability.

It is a fact that the sale of many important works of art involves a liability for capital transfer tax and capital gains tax which can amount to as much as 75 per cent. of the market price. It is obvious that the prospect of paying a tax on so much fictitious wealth is a powerful counter-balance to long-standing fiscal incentives for the retention in this country of works of art.

This is significantly underlined by the disturbing news of the impending sale by auction this summer of one supreme masterpiece and several other outstanding paintings. As far as the Duveen and Van Dyck are concerned, it is widely known that the two museums where they have been on loan (the National Gallery, Edinburgh, and the Fitzwilliam Museum, Cambridge) do not have the financial resources to compete, and in view of the insufficient funds available to the museums there is a grave risk that they will be lost to this country.

George J. Levy, 119 Mount Street, London, W.1.

Employment strategy

From the General Director, Centre for Policy Studies, Sir—Your correspondent quotes Desai Healey as commenting this at the EEC Finance Ministers meeting on May 17: "The central question is whether governments are capable of adopting macro-economic demand policies to increase output faster than the underlying growth in productivity. That is the pre-condition for full employment."

In fact the U.K. Government could tomorrow (let us assume the IMF out of existence) set in hand an expansion of aggregate demand which would produce much fuller employment in the relatively near future. Governments have done it before; it is essentially a matter of printing enough money. Unfortunately, the borrowing requirement would go through the roof (it is already bumping against the ceiling); inflation would accelerate wildly; sterling would drop even faster than recently; and a recession would follow compared to which the present one would pale into insignificance. All this suggests that there may be something wrong with Mr. Healey's analysis.

Full employment is primarily a function, not of expansionary demand or management policies,

but of an efficient labour market wherein changing demands for labour are matched relatively rapidly by supplies with the right skills and in the right places. Many factors inhibit this process, among the most obvious of which are trade union restrictive practices, ill-conceived housing policies, and an incoherent social security system. The Government of which Mr. Healey is a prominent member has done much to inhibit such factors in taxation policies and Mr. Foot's labour legislation—to ensure that the sustainable full employment we all consider to be a primary goal has receded further beyond the bounds of attainment.

Martin Wassell, 3, Wilfred Street, London, S.W.1.

The price of steel

From The Managing Director, Howard Horrocks, Sir—The CBI's latest industrial trends survey indicates that we are on the way to export-led recovery. A sagging pound, improved overseas economies, and a greater awareness of the need to survive, seem to me to be the three main reasons for this trend.

During our last financial year we, as a company, exported 53 per cent of our sales volume; our products have a high steel content (up to 70 per cent.) and a low direct labour content (3 per cent.).

At this crucial time in our export-led recovery, British Steel Corporation have announced two standing price increases since April 1 resulting in a 24 per cent. price increase on the majority of their strip mill products, apparently without a murmur of protest from any quarter (until now perhaps?).

Surely the nationalised steel industry realises that unless price increases are tempered it needs to make steel production economical, by its local and quick way to commercial suicide is to attempt to recover the full overhead on a reduced throughput, and expect the product to sell.

With inflation running at the rate of 18 per cent. per annum, together with the next round of price increases directly as a result of the increased steel costs, the nation will have little chance of setting the inflation rate below double figures within the foreseeable future. And when the unions see that inflation continues unabated, in spite of their agreement to the second stage of the pay policy, all hell may well be let loose.

What chance does the export-led recovery have of continuing under such circumstances? M. E. Peters, Sarham, Bury St. Edmunds, Suffolk.

Hong Kong shipping

From The Executive Secretary, Hong Kong Shipowners' Association, Ltd., Sir—It appears Mr. Paul Strauss (Hong Kong Survey, May 14) is either not aware of or misinformed on negotiations, conferences, inspections, etc., in connection with creation of Hong Kong Shipping Registry.

There is no design or desire on part of member companies of this association to seek a Hong Kong shipping registry enabling them to accept lower standards and/or wages. Our only desire is to maintain our present high standards which are comparable to any others and to keep salaries at levels compatible with Hong Kong wage structure. P. A. Walton, 401, Hilton Hotel, Hong Kong.

To-day's Events

GENERAL
Provisional unemployment figures and unfilled vacancies (May) published.
CBI and Administrative Staff College, Henley, are joint sponsors of two day conference on "Strategies for Industry: Corporate Strategy and Public Policy" opening at Cavendish Conference Centre, W.1. Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, speaks at first-day conference dinner on "Future of the Mixed Economy".
Socialist Group of European Parliament conference, Newcastle-upon-Tyne.
Boltonmakers' Union conference, Largs.
Amalgamated Union of Engin-

seers Workers' conference, Scarborough.
Union of Post Office Workers' conference, Bournemouth.
Dairy Trades Federation conference, Stratford-on-Avon.
British Fabric Federation exhibition, Fashion Fabrics for 77, Shadow Chancelor of the Exchequer, speaks at first-day conference dinner on "Future of the Mixed Economy".
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Amalgamated Union of Engin-

Bristol Stadium, 11, Mansfield Street, W.C.2, 12.30. Cory (Horace), Nathan Way, S.E. 12. Elliott Group of Peterborough, Peterborough, 3.20. Farnham Lawson, 12.15. Huntly Group, Redditch, 3. Kenast, Walkden, 12. Ladbroke Group, Winchester House, E.C. 11. Le Bas (Edward), Savoy Hotel, W.C.2, 12. Liden, 22, Lea Bridge Road, Leyton, E. 12. Lyon and Lyon, Knottingley, 12.15. Menzies (J.), Edinburgh, 12.15. Minet, Abercrombie Rooms, E.C. 12. Myson, Quazino's, W. 11.30. Oxford, Oxford House, Stephen Street, W. 11. Oldham Brewery, Oldham, 11. Yorkshire Fine Woven Spinners, Huddersfield, 11.30.

For years and years we've been buying steel this way...

'Maybe it's uneconomic. But that's the way we operate.'

'Forward planning? Who knows what tomorrow might bring?'

'The cost of storage space? Nothing. We've acres of it.'

'The cost of processing? Well, we have miles of expensive machinery.'

'Sure we have a lot of money tied up... Hasn't everybody?'

'What would Fred say?'

'The Board have other things on their mind.'

'So far we haven't heard a good reason for changing...'

Some of the finer hard luck stories from British Industry.

British industry's current steel-buying habits cost a small fortune. There's the cost of the steel; the cost of the money to buy it, the cost to store it, process it, and the cost of scrap. If industry kicked the habit and bought steel as and when it needed it, tailor-made and delivered fast from the nearest Steelstock centre, it could save 20% or even more. There's a paper that proves it. It's free. Phone 021-556 1234.

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COMPANY NEWS + COMMENT

Ley's Foundries up £0.6m. at halftime

AN ADVANCE from £1.58m. to £1.97m. in group pre-tax profit is reported by Ley's Foundries and Engineering for the 27 weeks ended March 31, 1976, compared with the previous 26 weeks. The directors state that the profit for the second half is likely to be lower than the £214,888 achieved in the comparable period of 1975.

The interim dividend is unchanged at 1.03p—the total for 1974-75 was 3.5p paid from profits of £2.19m.

Turnover
1974-75
1975-76
1976-77

| | | | |
|--------------|-------|-------|-------|
| Turnover | 1,000 | 1,200 | 1,300 |
| Profit | 1,580 | 1,970 | 2,150 |
| Taxation | 1,000 | 1,200 | 1,300 |
| Net profit | 580 | 770 | 850 |
| Attributable | 516 | 680 | 740 |

The directors state that each of the three subsidiaries contributed towards the improvement. The group normally earns a lower profit in the second half due to a reduction in output during the summer holiday periods. Orders have been difficult to obtain during the current year and although there has been some improvement in the position in recent weeks, the benefit of this will not be felt until after September 30. Therefore the directors feel that it is doubtful whether the work load can be maintained throughout the second half year.

comment

Aided by a large backlog of orders and a 50 per cent. addition to capacity on the heavy chain side (throughout the year), the group has turned in a strong interim performance with profits 37 per cent. higher on a strictly comparable basis—on a sales rise of a quarter. The backlog is now being exhausted, however, and with new orders falling off in all three divisions the second half could see a fairly sharp drop in profits to maybe £750,000. Even so, that would still allow a maintained dividend, yielding 9.4 per cent., to be covered nearly 2½ times, and given that the group's cash position is still strong (£1.6m. net) the shares at 68p on a prospective p/e of under 5 are not highly priced.

N. British Steel shows progress

In the 26 weeks ended April 10, 1976, profits of North British Steel Group (steel foundries and engineering) rose £100,000 to £412,000. Sales were £1.1m. ahead at £4.1m.

After tax £213,000 (£180,000), net profit came out at £197,000 (£132,000). Earnings are shown at 3.5p (2.7p) per 25p share, and the interim dividend is stepped up from 0.406p net to 0.5p.

In the year ended September 27, 1975, profits before tax were £537,000 and the dividend 1.53p (2.5p).

| INDEX TO COMPANY HIGHLIGHTS | | | | | |
|-----------------------------|------|------|-----------------------|------|------|
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| Barton Transport | 23 | 1 | Lipton (L.) | 24 | 4 |
| Bolton Textile | 25 | 2 | Mothercare | 24 | 7 |
| Brooke Tool | 22 | 6 | Neill (James) | 23 | 2 |
| Brown Harriman | 24 | 5 | North British Steel | 22 | 1 |
| Carr (John) | 22 | 3 | Perry (Harold) Motors | 24 | 3 |
| First Finsbury Tst. | 22 | 5 | Randall (J. & L.) | 22 | 7 |
| Fitzwilliam | 24 | 6 | Scottish Mortgage | 22 | 4 |
| FT Share Service | 24 | 7 | Spear & Jackson | 22 | 8 |
| Gill & Duffus | 23 | 5 | Spink & Son | 23 | 2 |
| Hawker Siddley | 23 | 4 | Stag Line | 22 | 7 |
| House of Fraser | 23 | 1 | Streeters | 24 | 8 |
| Int'l. Combustion | 22 | 2 | Usher-Walker | 25 | 1 |
| James (Maurice) | 23 | 6 | Value-Vatex | 24 | 3 |
| Laing (John) | 25 | 1 | York Trailer | 22 | 4 |

£906,000 by Intl. Combustion

GROUP TAXABLE profits of International Combustion (Holdings) are shown to be up from £477,000 to £906,000 for 1975, including a contribution increased from £97,000 to £501,000 by the associates.

After tax and minorities, and deducting extraordinary items of £214,000 (£259,000) there is an attributable deficit of £337,000 against £413,000.

As indicated at the half-way stage the directors have provided an extraordinary item the sum of £1m. for potential future losses of a subsidiary in respect of a compost plant supplied to the Tehran.

The final dividend is 0.325p net making an unchanged total of 0.63p.

| | | | |
|----------------------|-------|------|-----|
| 1975 | 1974 | 1973 | |
| Turnover | 1,188 | 878 | 200 |
| Profit | 906 | 477 | 200 |
| Company and subsubs. | 483 | 359 | 100 |
| Associates | 359 | 218 | 100 |
| Company and subsubs. | 359 | 218 | 100 |
| Associates | 359 | 218 | 100 |
| Extraordinary items | 514 | 530 | 100 |
| Company and subsubs. | 514 | 530 | 100 |
| Associates | 514 | 530 | 100 |
| Minority | 35 | 14 | 100 |
| Attributable | 35 | 14 | 100 |
| Dividends | 35 | 14 | 100 |
| Deficit | 337 | 413 | 100 |

comment

There were no new shocks from International Combustion (Holdings) so the shares moved up 1p to 82p where the yield is 11.9 per cent. Nussli is now in a dormant position pending litigation but the £1m. provision (reduced to £589,000 by adjustments from the sale of U.K. companies to Clarke Chapman in 1974) should be adequate to cover any penalties.

The company is even hoping for

benefits of restocking by customers after two flat years and interim pre-tax profits are up 33 per cent. on a 65 per cent. jump in turnover. Contrary to expectations, local authority orders for Carr's joinery products to meet their housing programmes remain quite buoyant. Meanwhile, current private housing starts are apparently enough to contribute to a further improvement in the demand for Carr's products. Carr's books are satisfactory and prospects are for similar results in the current six months. This means pre-tax profits of £2m. for the full year, with earnings per share of 8.7p covering a maximum dividend of 2.5p (1.5p) at 39p, 5.3 times. The p/e is 4.4.

York Trailer lower

FIRST QUARTER 1976 sales of York Trailer Company dropped from £4.5m. to £2.5m. and profit was down by almost £100,000 from £274,000 to £177,000, subject to tax of £82,000, compared with £142,000.

The chairman, Mr. F. W. Davies, says that though earnings are still below those of the previous comparable quarter there is a gradual recovery from the "dark" conditions of the fourth quarter of 1975. The costs and problems of phasing out the Corby plant are over and consolidation of manufacturing activities at Northallerton are complete.

Mr. Davies states that as expected depressed conditions continue in the commercial vehicle market and he does not look for any significant improvement until after the second half.

There is a slow but pronounced pick-up in volume of new business, largely generated by the new suspension system which has met with "an excellent reception" by the transport industry. Presentations are now taking place throughout the country.

In 1975 pre-tax profit dropped from 1974's record £1.3m. to £0.66m. — it was explained that the company suffered the full effects of the depression in the commercial vehicle industry. For the first three quarters dividends totalled 1.745p net.

comment

U.K. trailer production was down about a third in the first quarter of 1976, while overseas sales by York Trailer (half of the group's turnover) were equally depressed, and so profits are 35 per cent. lower than the comparable period. However, there is a sharp improvement over the previous six months where the third quarter slid into losses of £29,000 because of the termination costs at Corby plus a six-week strike, and the fourth quarter only returned a profit of £55,000. This year will continue difficult, but York can foresee U.K. production recovering by say 50 per cent. to over 13,000 units. Meanwhile, the group hopes to increase its market share on the back of its new lift axle "Hobo" which introduced last month has already attracted 50 orders. Profits should see some recovery this year and £2m. pre-tax looks a minimum target, against a peak figure of £1.3m. Still at 28p the shares are backed by perhaps 12p of net cash, and the prospective dividend is no more than 8 while the maximum yield of 11.3 per cent. would be covered 1½ times.

Central Province Ceylon

For the year to June 30, 1975 Central Province Ceylon Tea Holdings reported turnover ahead from £1.3m. to £2.07m. and pre-tax profits up from £122,000 to £227,000.

Earnings per 25p share are shown to have risen from 2.2p to 3.5p and the dividend total is stepped up from 0.865p (2.5p) to 0.932p (2.5p) with a second interim payment of 0.332p (2.5p) net in lieu of cash.

Tax takes £82,000 (£13,000) and after a loss of £50,000 (£21,000) on the sale of investments the attributable balance emerges £27,000 higher at £105,000.

Scottish Mortgage investments

Despite the penalty to income, Scottish Mortgage and Trust Company is maintaining its substantial holdings in overseas markets, states the chairman Mr. G. T. Chene.

The directors have become increasingly concerned at the high level of the investment currency premium and have been making some sales of currency. To

| DIVIDENDS ANNOUNCED | | | |
|--------------------------|-----------------|-----------------|----------------|
| Company | Date of payment | Current payment | Total for year |
| Bainbridge Bros. | July 12 | 0.88 | 1.53 |
| Bishopsgate Platinum | July 12 | 0.88 | 1.53 |
| Brown Harrison | July 12 | 0.88 | 1.53 |
| J. Carr (Doncaster) Int. | July 12 | 0.88 | 1.53 |
| George Deane | July 12 | 0.88 | 1.53 |
| Fitzwilliam | July 12 | 0.88 | 1.53 |
| Impala Platinum | July 12 | 0.88 | 1.53 |
| Int'l. Combustion | July 12 | 0.88 | 1.53 |
| Maurice James | July 12 | 0.88 | 1.53 |
| Ley's Foundries | July 12 | 0.88 | 1.53 |
| L. Lipton | July 12 | 0.88 | 1.53 |
| Outchik Trust | July 12 | 0.88 | 1.53 |
| Spink and Son | July 12 | 0.88 | 1.53 |
| Westpool Int. | July 12 | 0.88 | 1.53 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Maiden dividend. (b) South African cents. (c) Gross.

Brooke Tool in profit

A turnaround from a pre-tax loss of £54,700 to a profit of £8,400 on lower turnover is announced by Brooke Tool Engineering (Holdings) for the 26 weeks to March 30, 1976.

In his annual statement "in January, the chairman, Mr. D. H. Saunders announced that reorganisation within the company was complete—the predicted small profit for the current year, with little or none in the first half.

For the full year ended September 30, 1975 the company incurred a loss of £110,200. No dividends have been paid since 1968.

First Finsbury on target

SALES FOR the first four months of the current year at First Finsbury Trust, which is controlled by Hutchison International, are running to date well above the improvement over the previous comparable period, reports Mr. W. R. Wylie, chairman.

In particular, Alpha Leather has shown of significant advance," he tells holders in his annual statement.

However, the further reduction in the value of sterling has had an adverse effect on profit margins but he believes that the group has a sufficient range of competitive products to enable further progress as soon as conditions are more favourable.

As reported on April 21 with details of the 24.88 per cent. acquisition by John D. Hutchison (U.K.) of First Finsbury, operating profit for 1975 declined from £1.0m. to £0.67m. At the pre-tax level, profit was down from £0.87m. to £0.57m. and dividends are up from 2p to 2.2p net.

Mr. Wylie explains that the operating result was adversely affected by a reduction in the gross profit margins of subsidiaries importing toys, giftware and leather products, due to the sterling decline and reduction in turnover and profit of the leather and textile merchandising subsidiaries.

The accounts include details of the proposed merger with Radcliffe Holdings, a wholly-owned subsidiary of John D. Hutchison (U.K.) and proposals for the cancellation of the outstanding 31 per cent. Convertible Unsecured Loan Stock 1988/93. Holders, other than Radcliffe, will not receive the 1.45p final dividend if the merger is completed.

Hutchison International, at May 19, 1976, held 73.09 per cent. of the Ordinary.

From a professional valuation of trading and investment properties at December 31, 1975, a provision of £70,000 has been made in respect of investment properties to reflect current market value.

ISSUE NEWS

Treasury stock redemption

The Bank of England announces that the Treasury will make no conversion offer in respect of holdings in Treasury 61 per cent. Loan 1976.

The loan will be redeemed at par on August 16. Redemption request forms will be issued on June 8.

MAXIM SCRIP OPTION

Maxim's basis of scrip option in lieu of dividend of 4p, announced on May 6, is one new share for every 100 existing shares for U.K. shareholders and one-for-70 existing share for residents outside U.K. and scheduled territories for which share election is made.

NEW DEALINGS

The reintroduction of Dares Estates' capital was effected yesterday after a suspension of two years. Ordinary shares opened at 8p and closed at 9p after touching 10p.

£1.8m. profit from J & L Randall

IN THE 3 months ended December 31, 1975 profits of J. & L. Randall, an insurance company, are reported to be £1.8m. compared with £1.5m. in the previous 3 months. The company is reported to be £1.5m. in the 12 months ended March 30, 1974. Earnings per 10p share are stated at 9.05p (5.55p).

The dividend, already announced a year ago, is £1.2m. (1.2m. net) to be paid in 1976. The rate for 1976 will be one-half per cent. of the basic benefit and attaching to the policy year up to £1.2m. (1.2m. net) to a maximum rate of 10 per cent. It is the intention of the Society to keep this rate as stable as possible although it will be reviewed regularly.

Prospects at Spear & Jackson

The chairman of Spear & Jackson (International), Mr. Stephen de Bartolomeis, told shareholders at yesterday's AGM that "due to the structure of the order book, profits in the first half of 1976 will remain at a low level in line with the second half of 1975, and a return to growth is not expected until the second half of the year."

Commenting on the disappointing performance of the Toys company, Mr. de Bartolomeis said there was a need to stabilise the company's position in the toys field after a period of rapid change. "The first steps have been taken," he said, "and for the first time in almost two years, our gross margins are increasing rather than falling."

Stag Line sees £0.3m.

IN HIS interim statement, the chairman of Stag Line, Mr. N. J. Robinson, says that with voyages already completed and contracts arranged for most of the fleet until the end of the year, and providing no unforeseen events intervene, profit after full depreciation but before tax should achieve £0.3m. for year to October 31, against £0.47m. last time.

It is expected that the Board will recommend the same final dividend—5.25p net—as was paid last year. As known the interim payment is held at 3.5p net.

UNIVERSITY LIFE BONUS

The University Life Assurance Society has declared unchanged reversionary bonus rates for the three years to 1975 in respect of shares to expand by acquisition.

Halifax Building Society

Points from the statement by the Chairman, Mr Raymond Potter presented at the 123rd Annual General Meeting on 24th May 1976.



Progress During 1975

The assets of the Society at 31st January 1976 were £4,577 million having increased by £810 million during the preceding 12 months. In percentage terms the increase was 21.5% compared with 17.5% in the previous year. Receipts from investing shareholders and depositors, including £226.9 million interest credited to accounts and not withdrawn, were a record at £1,006.4 million. Withdrawals for the year were £1,138.9 million. The resultant net investment inflow was a record at £86.5 million.

During the year 947,000 new accounts were opened of which approximately 823,000 were investors and 124,000 were borrowers. An average of 3,115 new accounts was opened each working day. The progress made by the Halifax has reflected the general success of building societies in attracting funds and this experience continues during the present year.

Mortgages

The Society advanced on mortgage £96.9 million of which £38 million was lent to existing borrowers for home improvements. The figure of 123,584 new mortgages granted last year was the highest yearly total yet achieved by the Halifax. That such sums have been advanced during a period when house prices have only risen marginally confirms that the amount of mortgage funds available is only one factor in determining the level of house prices.

Our lending policy has continued to give close consideration to the priority areas of the first-time purchaser, the young and those in lower income groups. 46.8% of the number of advances made were to first-time purchasers. 26% of all loans went to people under 26 years of age and 40.3% of advances made were to people with incomes of £3,000 a year or below. We are anxious to see home ownership extended. If we are to achieve this it is of paramount importance that there is a revival of confidence in the house building industry.

Building Societies and Government

The Society has participated in the scheme set up between the Building Societies Association



THE METTOY COMPANY LIMITED

Salient points from the Statement by Mr. H. J. Isner, Chairman.

The results for the major part of the year were satisfactory and in line with anticipations, but demand for the latter part of the year did not entirely live up to expectations.

* Dividend: The total dividend for the year of 1.725p is the maximum permitted under present regulations on the capital increased by a 1 for 6 bonus issue last year.

Products Additions have been made and continue to be made to our established ranges. A number of completely new products have been introduced.

Future Prospects: The orders received to date from both the home and export markets for all our ranges, old and new, are well in excess of those held at the same time last year and encourage us to pursue an increase in overall production carefully planned for the year.

| Summary of Results | 1975 | 1974 |
|-----------------------------|-------------|-------------|
| Turnover | £19,887,313 | £17,902,035 |
| Group trading profit | £1,593,757 | £1,337,287 |
| Profit after tax | £723,107 | £684,148 |
| Earnings per Ordinary share | 4.9p | 4.6p |



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This announcement appears as a matter of record only



Southern Pacific Properties Limited

Placement of 44,000,000 shares at HK\$1.31 to Triad Holding Corporation S.A. Luxembourg

Hong Kong, May 25th, 1976

around
first half
INGS

John Laing outlook

IN HIS last annual statement, the chairman of John Laing and Son, Sir Kirby Laing, says the Board anticipates sustaining at least the level of profitability achieved in 1975.

The strategy of diversification gives the group great strength, he tells members.

The construction company has obtained a number of large long-term contracts which have given it a sound basic turnover for the next two years as far as general building is concerned. Very little heavy civil engineering work has been coming on to the market however.

Doubts expressed about the long-term opportunities for the North Sea oil operations at Graydon have proved to be justified, says Sir Kirby, and the general curtailment of development of North Sea operations by various oil companies has meant that no additional oil revenue has been received to provide continuity of operations when the platform for the Thistle field is floated out next month.

The product manufacturing side has very full order books and the Board is reasonably confident of the outlook for the next two years.

Commercial property development continues to be adversely affected by economic uncertainties but on the housing side an improvement is anticipated and the group is planning to increase production of houses for sale.

As reported on April 27, turnover increased from £24.6m. to £24.8m. in 1975 and profits expanded from £11.22m. to £14.46m. before tax. The dividend is 1.725p (1.585p) net and a one-for-five scrip issue is proposed.

An increased provision for the reduction in value of some sites of £15.75m. has been made. This is specifically related to a number of sites held for commercial development where it is felt that in the current economic climate the prospects of early development are particularly limited.

Improving trend at Usher-Walker

Turnover for the first four months of 1976 at Usher-Walker shows a modest increase and the chairman, Mr. S. C. Biggs is optimistic that this trend will continue and improve further with any revival in the general economic situation.

Failing any unforeseen setbacks he tells members in his annual report that the directors expect a satisfactory result within the limits imposed.

Continuing efficiency has been accompanied by further growth in intrinsically more profitable areas of the market. Mr. Biggs regrets that this progress is penalised by current legislation on profit targets but is pleased that the government now appears to appreciate that changes in the rate of change are necessary.

As known, pre-tax profit during 1975 improved from £0.42m. to £2.66m. and dividends total £2.66m. net (2.44p). The company makes printing inks and rollers.

At end December, 1975 the Daily Telegraph held 15.48 per cent. of the Ordinary.

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Bolton Textile setback

REFLECTING a downturn in trading, pre-tax profits of Bolton Textiles fell from £205,000 to £152,000 in the half-year to October 31, 1975. But the directors anticipate an improvement in the second half. Profits were £399,000.

| | 1975 | 1974 |
|----------------------|------|------|
| Group turnover | 200 | 206 |
| Profit before tax | 152 | 205 |
| Tax | 19 | 25 |
| Net profit | 133 | 180 |
| Extraordinary profit | 211 | 146 |
| Attributable | 232 | 156 |

Net surplus after costs of sale of previous headquarters at 18-20, Clerkenwell Road, L.C.

In 1973, the company acquired the share capital of Withead Securities in order to develop the site held by that company for new group headquarters. The aggregate price payable for Withead inclusive of acquisition costs amounted to £450,000.

In December, 1975, shareholders were informed of the acquisition of alternative premises for group headquarters at Charterhouse Square and of the intention to discontinue the Withead site. Arrangements entered into have involved the sale of Withead to Firstcourse, and the surrender and cancellation in favour of Welfare Insurance Company of an agreement for lease entered into between the company and Welfare.

The Board felt it unwise in the existing economic climate, to continue with the original project and consider that the economies of the use of the new headquarters at Charterhouse Square, together with the disposal of the interest in the Great Sutton Street site, will assist the company to reduce bank borrowings, and improve the efficiency of the group.

English and Internl. Trust

Revenue of English and International Trust dropped slightly from £560,180 to £540,356 in the year to April 5, 1976 subject to tax of £228,168, compared with £247,997. An amount of £11,843 (£13,903) is retained.

A net final dividend of 2.1p keeps the total at 13.13p. Asset value per 25p share 103 1/2p.

As known, pre-tax profit during 1975 improved from £0.42m. to £2.66m. and dividends total £2.66m. net (2.44p). The company makes printing inks and rollers.

At end December, 1975 the Daily Telegraph held 15.48 per cent. of the Ordinary.

Statement Page 26

APPOINTMENTS

Chairman change at Permal

Mr. W. D. T. Tapley, deputy managing director of BTR, has been appointed chairman of PERMAL following the retirement of Mr. John Watson from 1st post.

Mr. Peter F. Scott, chairman of PROVINCIAL ASSURANCE COMPANY, has announced his intention to retire at the close of 1976. Mr. Scott joined the Provincial Assurance in 1946, was appointed deputy chairman in 1951 and became chairman in 1954. Mr. Charles F. E. Shakerley (senior) is to succeed Mr. Scott, who has been deputy chairman since 1973.

P. P. P. Ralph has become a member of CHARTERHOUSE HFT and has been appointed to its corporate finance department.

G. F. Armitage, newly elected chairman of the BRICK ELOPMENT ASSOCIATION, is a resident of Lord Hill, London, and in Friday's Financial Times.

W. M. Pybus, chairman of many of the COAL INDUSTRY ETV in succession to Mr. R. B. Hargreaves, director, factor, Chattertons Solid Fuel, has been chairman of the Society.

John Nuttall has been named marketing director of ISE ELECTRIC CONSUMER PRODUCTS. Mr. Nuttall joined the company as Marketing Manager 18 months ago from B.D.A. Arthur Mackenzie Parkinson is deputy managing director, Mr. Mackenzie Parkinson was sales director, and has with the company for 30 years.

M. D. Lewis has been named director of the principal of ESSO PETROLEUM PANY. He will be responsible for sale of all Esso motor oils through retail outlets, takes over his new post from David Clayman, who has moved to another senior position in the company.

Geoffrey Elton has been named deputy managing director of RETAIL AUDITS, and will be in charge of the new division. Mr. Tony Pinkett (senior) and Mr. John Roddick (senior) are sales division become area directors.

Ron Thornton, economic market research manager of well Information Systems, has been elected chairman for the year of the BUSINESS ADVERTISING ASSOCIATION data processing division.

owing the acquisition of 60 per cent of the share capital of

HARRISON MONOBOND by Armature Shanks Group, the directors of Harrison-Monobond are now as follows: Mr. Kennedy Campbell (chairman), Mr. Fred C. Harrison (vice-chairman), Mr. Geoffrey Harrison (managing director), Mr. Richard V. Whitehead (Chairman), Mr. John Round (also secretary). Appointed to the Board of Markes and Co. are Mr. Tim B. W. Bennett and Mr. Brian F. Foster (also secretary). Mr. Bennett and Mr. G. Harrison have also become directors of Armature Shanks.

Sir Arnold Weinstein, managing director of GEC, and Mr. Howard Thomas, chairman of the Television Society, have been appointed to the Board of the ROYAL TELEVISION SOCIETY. Officers for 1976/77 are Mr. Vic Gardiner, chairman of council; Mr. Brendan Smith, vice-chairman; Mr. Bill McMahon, honorary treasurer, and Mr. Tony Pilgrim, honorary secretary.

Mr. E. S. Phillips has been appointed to the Board of RACAL COMMUNICATIONS EQUIPMENT as production director.

Mr. J. R. Pickford, technical director of BP Nutrition (UK), and Mr. G. MacEwen, trading manager, Nordes Feed Materials, have both been appointed directors of NORDOS FEED MATERIALS. Mr. MacEwen is a wholly owned commodity trading subsidiary.

Mr. Eddie R. Lough has been named president for 1976-77 of the COAL MERCHANTS' FEDERATION OF GREAT BRITAIN. Other officers are Mr. C. H. Charteris, senior vice-president; Mr. W. Smith, junior vice-president; and Mr. W. B. Hercock, honorary treasurer.

Mr. Brian D. Green has become sales and marketing director of CHESEBROUGH-POND'S. He was previously general sales manager.

Mr. John K. Pitts has been appointed a director of the TRENCHARD HARTLEPOOL PORT AUTHORITY. Mr. Pitts is deputy chairman of ICI agricultural division and fills the vacancy left by Mr. Gerry Connolly on his resignation to become northern director of the National.

Mr. W. J. Hiphams and Mr. A. Hill, directors of Reddish Chemical, have joined the Board of CONNOISSUR SUPPLIES.

Vicount Exmouth has joined the Board of SESCO (HOLDINGS).

Mr. Andrew Reynolds has been appointed to the Board of C&R LESS CABLE AND LEONARD. He joined the company in 1974 as managing director of the newly acquired subsidiary Carless Chemicals, where he still retains overall responsibility for the group's interests.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

MARSHAL'S ADMIRALTY SALE OF THE M/S MANDARINCORE

PRESENTLY LOCATED AT PIER 2C
HONOLULU HARBOUR HONOLULU,
HAWAII, U.S.A., AS IS, WHERE IS

Sale to be at public auction on June 10, 1976, at 10.00 a.m. at the main entrance of the United States Post Office, Customs House and Federal Court House located at Honolulu, Hawaii. The terms of the sale are ten per cent (10 per cent) of the sale price on the fall of the hammer with the balance due on confirmation of the sale by the court, all sums to be paid by cash or certified or cashier's cheque drawn to the order of the United States Treasurer on any U.S. commercial bank with no other method of payment accepted.

The M/S Mandarincore is a fully refrigerated Israeli flag vessel, Vessel Number M/S-159. She was built by A/S Bergen M/V in March 1968 at Bergen, Norway. She has a dead weight of 8,710/8,820, registered gross of 5,185/5,927, and net of 4,812/3,356 (CSD/OSD), with an overall length of 458 feet 0 inches, a breadth of 65 feet 10 inches and a moulded depth of 41 feet 0 inches. Classed Lloyd's Register of Shipping UMS-100 A1 LMC + RUC, passed December 1972. Engines are B and W diesel of 11,500 bhp. Speed 19.5 knots loaded. Reefer capacity 415,810 cu. ft. reefer bays.

For information contact:
The United States Marshal for the District of Hawaii
Federal Building, 335 Merchant Street,
Honolulu, Hawaii 96813 - Telephone (808) 546-2150

Case, Kay, Clance and Lynch, Attorneys
1100 First Hawaiian Bank Building
Honolulu, Hawaii - Telephone (808) 556-7261

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BIDS AND DEALS

Pleasurama stake changes hands

Williams Hudson, the industrial holding company headed by Mr. David Rowland, has paid over £322,000 for a 28 per cent. minority holding in leisure and gambling group Pleasurama, whose chairman is Lord Harnham-Nicholls. WH, whose interests range through fuel distribution, transport, shipping, motor and inn and property, has paid 32p per Pleasurama share, against last night's unchanged closing price of 31p. WH shares ended the day 1p easier at 19p.

The holding has been purchased from Mr. A. F. Miller-Cheevers, who is resigning his directorship of Pleasurama, and Mr. G. C. Wilkinson.

Pleasurama reported profits before tax of the last financial year ended September 30, 1975, of £702,000 compared with £417,000 in the previous period.

EDINBURGH ICE RINK

Edinburgh Ice Rink is negotiating for the sale of its head office premises at Haymarket Terrace, Edinburgh, for development as an office block.

No details of the amounts involved have been given, but a three-acre site has been acquired by the company at Ferry Road, Edinburgh. Proceeds from the Haymarket premises would be used for the construction of a modern ice rink and other leisure facilities. Outline planning permission has been obtained for this development.

COURTAULDS

Courtaulds acquired a majority stake in a small French textile company, Etablissements Thiolier, manufacturers of ship fabrics and allied textiles.

No purchase considerations have been disclosed. The company operates at Sables, in the Loire, and has an annual turnover of Fr.1m. (£2m), of which between Fr.1m. and 2m. comes from abroad.

HAMPTON TRUST

Hampton Trust, which made a £1m. bid for Assam Consolidated Textiles more than three months ago, has again delayed sending out an official offer document.

The reason given is that Hampton has received an approach

which is likely to lead to an offer being made for its residential development at Stone, Staffordshire, which represents a substantial part of net assets.

The Panel has agreed to the postponement of the posting of the offer documents to Assam holders until the outcome of this transaction is known, which is now expected to be by the end of June.

Hampton bought the Stone development from UDT in April 1975 for £22m and this accounts for over 30 per cent. of the trust's net assets.

Fairzone 90p for Waite

Fairzone is to make a £2.9m. cash bid at 90p a share for Waite and Son, manufacturers of lampshades and luggage.

Less than a month ago talks between the Meru Group and Waite, which may have led to an offer of 80p a share, broke down because of the opposition of Waite's major shareholder, New Providence Securities, which has a 47 per cent. stake.

Fairzone, is controlled by the chairman of Waite, Mr. G. R. Jarvis and his family interests and associates.

The same interests are interested in 3 per cent. of Waite's capital but Fairzone has no interest.

The directors of Waite independently of Mr. Jarvis, taking into account an up-to-date property valuation prepared by Cluttons, accept the offer in respect of their own shareholding and recommend other shareholders to accept.

New Providence's attitude to the offer is not known.

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MINING NEWS

Gen. Mining has 50.1% of Union Corpn.

BY KENNETH MARSTON, MINING EDITOR

announced in the links between South Africa's Federal Ryabou, General Mining and Union Corporation mining and industrial groups.

Following last year's bid battle when the General Mining group emerged with a stake of 28.1 per cent. in Union Corporation (with the aid of a borrowed \$8m.), Federale Ryabou has acquired a further 12.2m. shares of Union Corporation at an average price of 38s. each (£78p) per share, the aggregate cost being some R71.5m. (\$46.2m.).

These shares will lift the Afrikaaner group's stake in the gold and platinum producing Union Corporation to 50.1 per cent. They will be passed on to General Mining, giving the latter a total interest of 44.9 per cent. with its Seatrust subsidiary holding the remaining 3.2 per cent.

In return, General Mining is to issue 2.4m. new shares to Federale, at present Federale holds 34.7 per cent. and its 51 per cent.-owned Holland-Strat-See subsidiary has 24.8 per cent. of General Mining. General Mining expects to maintain the dividend rate on its increased capital and says that the deal will increase its net asset value (at end-1975 terms) to R42.38 (£27.37) per share.

It is also stated that the General Mining group has no present intention of further significantly increasing its holding in Union Corporation. The latest move, it is added, will provide "strong commercial and financial advantages" for General Mining and Union Corporation, the activities of which are complementary.

However, the deal will be seen as a further step towards closer links with Federale, which, with its Afrikaaner backers, is in a position to provide the liquid funds which are needed for further growth in the mining scene.

Meanwhile Union Corporation's Impala Platinum has declared an annual dividend of 100 per cent.

certain assets and the builders' business of John Bold, Inc. and Son, a subsidiary of Ashbourne Investments. The consideration, on a valuation basis yet to be agreed, is expected to be some £550,000.

NMC INVEST. NMC Investments has acquired, through a subsidiary of which it owns 75 per cent. the corrugated fibreboard container manufacturing business of Propp Corrugated Cases.

Assets acquired have a book value of £17,840. Net consideration for the purchase of Propp was £30,783, satisfied in cash. Debts amounting to £37,837 will be discharged.

BARR & ARNOLD Barr and Wallace Arnold Trust has agreed to purchase the capital of G. S. Oseoff and Co., 35p.

Value-Vatex wound up Value-Vatex, formerly Capital and Suburban Investments, which is in members' voluntary liquidation, was compulsorily wound-up in the High Court yesterday.

Mr. Justice Templeman said the company, which had changed its name recently for reasons which remained obscure and might be unsatisfactory, ought to have the benefit of being "looked into" by the Official Receiver.

He made the compulsory order on a petition by Hardy and Co. (Furnishers), judgment creditors for £59,527, supported by another creditor for £44,000.

Value-Vatex, said to be an associate company of Capital and Suburban Properties, opposed the winding-up order through its liquidator and creditors, claiming a total of £107,000. But, said the judge, £100,000 of the opposing claims was owed to a subsidiary.

The liquidator contended that the company would be able to pay its debts if left to its own devices under new management, and that under a Receiver lower values would be realised for its properties.

The judge said he was not impressed by the arguments. "It seems to me the company ought to have the very great benefit of having the Official Receiver looking into it and seeing what the debts are, and how the company should be disposed of."

George Doland From increased turnover, taxable profit of tailors and outfitters, George Doland, improved from £72,656 to £78,000 in the year to January 31, 1976, and stated earnings per 10p share are 2.49p, compared with 2.20p.

In the first half profit was up from £37,000 to £52,000 and the directors said that on the assumption that Christmas trading would be at least as good as the previous year, they anticipated that profits would be maintained.

The dividend, raised from 1.175p to 1.251p net, the maximum allowed. Property renovations amounting to £15,000 after tax relief which has been charged against the provision of £50,000.

increased third quarter interim of 18 cents (11.8p) making 45 cents so far for the year to June 30 compared with a total of 45 cents for the previous 12 months. Union Corporation were 318p and General Mining were 317p in London yesterday.

FLUORITE HOPES OF SOUTHLAND

Australia's Southland Mining claims to have made a breakthrough "of major importance" in a process to treat the fluorite ore, thus making the area of the types found at its Italian fluorapatite mine in the Lazio district. The new process, which is said to be simpler and cheaper than the previous method, has been proved at laboratory level and is now being tested in a pilot plant.

Meanwhile, the Italian operating company has signed contracts to supply local industries with fluorite ore, thus making the mine self-financing pending full scale operations. But talks regarding a participation by an Italian state-owned corporation have been postponed until the completion of the new process pilot plant tests and the patent registration formalities.

Southland's other major project, the Australian Cessnock coal development in New South Wales, increased coal production last year to 152,981 tonnes but reserves in the mine are near exhaustion. Pending the development of the new Bellbird virgin coal area for a projected production of 1m. tonnes a year, a nearby colliery is to be operated on tribute at an annual rate of 180,000 tonnes. Southland were 35p yesterday.

SABINA REPORTS

In its latest progress report, Canada's Sabina Industries says Impala Platinum has declared an annual dividend of 100 per cent.

Vauxhall/Bedford dealers of Nottingham for £210,000 cash. At December 31, 1975, net tangible assets of Oseoff and its subsidiary were £483,680 and losses before tax for the year came to £79,538. BWAT feels that the non-recurring rationalisation costs and movement of certain activities to new premises materially contributed to the loss, but benefits should accrue subsequently. Also, that net tangible assets at the time of acquisition are worth not less than £600,000.

BRIGHTON & HOVE J. Coral Holdings share alternative offer for the value of Brighton and Hove Stadium which it does not already own is five Coral Ordinary for every 11 Ordinary in Brighton.

On the basis of Coral's present share price (124p) this value, the share offer at 36.41p per Brighton share, which compares with a 36p cash offer.

Last week Coral bought a 39.7 per cent. stake in Brighton from GRA Property Trust. Brighton shares closed up at 35p.

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BROWN HARRIMAN & INTERNATIONAL BANKS LTD

The Chairman, Sir John Hogg, reports:

An increase in the profit before taxation from £435,893 to £432,734 and the payment of a 3% maiden dividend for the year ended 31st March, 1976.

Expansion of the loan portfolio and an increased contribution to earnings from Corporate Finance and International Banking Services. Continued profitable trading in the Money & Foreign Exchange Markets and a significant increase in profits from expanded activities in the Eurobond Market.

| | 31.3.76 | 31.3.75 |
|---|-------------|-------------|
| Liabilities | £ | £ |
| Capital & Reserves | 4,752,344 | 4,635,635 |
| Deposits | 70,852,820 | 62,318,707 |
| Other Liabilities | 4,787,786 | 2,592,461 |
| Acceptances for Customers | 251,002 | 765,240 |
| | £79,843,952 | £70,310,043 |
| Assets | £ | £ |
| Cash at Banks, at Call & Short Notice | 7,849,655 | 11,743,386 |
| Treasury Bills | 3,474,301 | — |
| Certificates of Deposit and Bills of Exchange | 7,767,995 | 9,050,575 |
| Loans to Banks & Local Authorities | 28,336,630 | 26,488,726 |
| Loans and Advances to Customers | 26,617,524 | 18,623,581 |
| Other Assets | 4,438,897 | 2,542,744 |
| Investments | 304,645 | 521,014 |
| Leased Assets | 628,488 | 397,432 |
| Fixed Assets | 174,814 | 177,645 |
| Customers' Liability for Acceptances | 251,002 | 765,240 |
| | £79,843,952 | £70,310,043 |

41 Eastcheap, London EC3M 1HX Telephone: 01-626 9898
Telex: 884031 Cables: Brownhar London Telex.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$60,000,000
(Canadian)

Union Carbide Canada Limited

\$30,000,000 (Canadian) 9 1/4% Notes Due May 1, 1982

\$30,000,000 (Canadian) 9 1/4% Debentures Due May 1, 1986

Principal, premium, if any, and interest will be payable in Canadian dollars in Toronto or in certain cities outside Canada without deduction for, or on account of, Canadian withholding taxes, all as set forth in the Offering Circular. Interest will be payable annually on May 1, commencing in 1977.

MORGAN STANLEY INTERNATIONAL

ALGEMENE BANK NEDERLAND N.V.

ANDRESEN'S BANK A/S

BANCA DEL GOTTARDO

BANK OF AMERICA INTERNATIONAL

BANK MEES & ROPE NV

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Cautious valuation policy behind Elf/Aquitaine merger terms

BY RUPERT CORNWELL

PARIS, May 24.

THE ELF and Aquitaine oil companies have now announced the terms of their controversial merger, which will create a fully integrated international oil group in which the State has an interest of 70 per cent.

The centrepiece of the deal, which was first made public in January, is for the transfer of all the operating industrial assets of Elf-Erap to Societe Nationale des Petroles d'Aquitaine (SNPA), which will subsequently be rechristened Societe Nationale Elf-Aquitaine (SNEA).

ERAP, holding company at the apex of the group and 100 per cent Government-owned, will be repaid for the surrender of its assets by Aquitaine, lifting its holding in the latter from today's 51 per cent to 70 per cent. As a result Aquitaine's total issued capital will increase to Frs.750m. (€100m.) from the present Frs.494m. (€65m.). Its assets will, however, more than double to over Frs.500m. from Frs.350m. today.

Extreme care has been taken by the banks which worked out the valuations of the companies to protect the interests of

the private shareholders in Aquitaine. The reference worth has been set at Frs.23.3bn. compared with only Frs.12.3bn. for Elf, thus taking ample account of the latter's loss-making refining and distribution activities.

To provide further insulation against too intrusive state control, the new group's production and exploration divisions will be made over to a fresh company, "SNEA-P," that will be a full subsidiary of SNEA, and have special responsibility for

the private shareholders in Aquitaine. The reference worth has been set at Frs.23.3bn. compared with only Frs.12.3bn. for Elf, thus taking ample account of the latter's loss-making refining and distribution activities.

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tionalisation of ELF-ERAP determined to give the deal as created explicitly by De Gaulle in 1966 to strengthen the state's grip on the oil sector.

Although the scheme can only be transferred of assets from the state, and although it is inconceivable that the state will in any real way relinquish its way in over SNEA, the opposition is French constitution.

French company gearing

PARIS, May 24.

THE FINANCING situation of many French companies is vulnerable, following increases in indebtedness last year, and inflation has made it even more precarious, Credit National Chairman Andre de Lattre said.

He said in a speech prepared for a banking seminar in Deauville that industry in France will have to find new financial resources in the future which can assure companies of satisfactory financial equilibrium.

It is therefore vital to alter the present situation, and there is already general awareness of the directions in which future efforts should be aimed for the sake of non-inflationary financing of growth, he said.

Mr. de Lattre said that present inflation of company balance sheets should be adapted to take inflation into account, and that the Sandilands Committee proposals issued last year in the U.K. showed the way in this respect.

A working party in France is currently considering annual re-examination of balance sheets and accounts within the framework of preparations for the seventh (1976-80) economic plan, he said.

Moreover, the Conseil National de la Comptabilite is working on revision of the accounting system.

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New equity offering by Alcan

ALCAN ALUMINIUM is to

make an underwritten public offering of 5m. common shares. Approximately 2m. shares will be offered in Canada; this offer will be co-ordinated with a simultaneous offering of approximately 3m. shares in the U.S. and abroad. Alcan intends shortly to make the necessary filings with the Quebec and other provincial securities commissions in Canada, and with the U.S. Securities and Exchange Commission with a view to offerings in the week starting June 21.

Jardine Matheson

IN AN ARTICLE on Jardine Matheson on May 17, the Financial Times suggested incorrectly that certain Matheson subsidiaries in the U.K. had been sold. They were omitted from this year's report and accounts as part of a tidying-up operation.

Hudson's Bay rise

HUDSON'S BAY announces net earnings for the three months ended April 30, 1976, of \$71,694,000 (12 cents per share). Comparable earnings in 1975 were \$72,000,000 (5 cents per share). Revenue for the first quarter totalled \$3,019m., an increase of 18.5 per cent.

Isuzu plans

ISUZU SALES and Finance Company, a wholly-owned subsidiary of Isuzu Motor, plans to give a 51 per cent stake to General Motors Acceptance Company when it doubles its capital to ¥6bn. soon, Reuter reports.

The measure will be designed to boost its power of raising funds and distributing motor vehicles with the help of GMAC's parent company, General Motors, which owns a 32.4 per cent stake in Isuzu Motor, the Isuzu subsidiary said.

Gulf stock split

GULF AND WESTERN INDUSTRIES has approved a 5-for-4 stock split to be effected in the form of a 25 per cent stock distribution of Gulf and Western common stock payable on July 30 to shareholders on the record on July 9.

Gulf's directors also declared the regular quarterly cash dividend of 15 cents. The company stated that it plans to continue its present quarterly cash common stock dividend of 15 cents per share on the shares which will be outstanding after the stock split. This will in effect be equivalent to a 25 per cent increase in the cash dividend on the old shares. AP-DJ reports from New York.

EDF standby facility

BY MARY CAMPBELL

ELECTRICITE de France is currently in the process of arranging a Eurobond standby facility of at least \$300m., Euro-market bankers report, to back issues of commercial paper in the United States. It will be the third of its kind to be arranged—EDF reportedly has over \$1bn. worth of commercial paper outstanding on the U.S. capital market.

The facility would reportedly be available for seven years. If it is used during the first two years, a spread over Eurodollar rates of 1 per cent would be payable; if used during the past five years a spread of one percentage point would be payable. The commitment fee is said to be 3 per cent.

Market sources report that a limited syndication is now in progress and that the amount of the facility may be raised to more than \$300m. if the market's response is good.

EDF is also expected to launch a dollar Eurobond issue some time next month.

Nationale Nederlanden Finance Corp. has launched a \$30m. twelve year issue of bonds with warrants to purchase bearer depositary receipts representing shares in the parent company Nationale Nederlanden, the largest Dutch insurance company. Although it will not be sold in the United States, the issue has been rated double-A by Standard and Poor's.

In current conditions, the issue would be expected to be priced to yield 8 per cent. Each bond carries two warrants to purchase ten bearer depositary receipts at a price of Frs.120 each, exercised from the beginning of 1977.

The lead manager is Amsterdamsche Bank. Also new in the market is a \$40m. floating rate note issue for

Creditanstalt Bankverein, which is 60 per cent owned by the Austrian Republic. The issue offers a spread of a quarter of a point over LIBOR, with a minimum of 7 per cent throughout its five year life.

The issue is managed by a syndicate headed by European Banking Company.

In the Canadian dollar sector, Kinross Mortgage has offered Can.\$50m. of six year Eurobonds under guarantee of Commerce, indicated coupon is 8 per cent and offering price par.

Lead manager is S. G. Warburg. Latest issue in the D-mark is DM100m. for the Spanish railway. Indicated coupon is 8 per cent, maturity six years and lead manager Westdeutsche Landbank Girozentrale. Offering price is expected to be 98.

Sandvik is raising a Sw.Frs. 80m. 6 per cent, fifteen year issue via Credit Suisse.

Combined Insurance records

BY ERIC SHORT

THE COMBINED Insurance Company of America, a leading U.S. insurance company which specialises in personal accident and health insurance, reported a record direct premium written of US\$363.4bn. in 1975, an increase of 9 per cent. Direct premiums earned rose by 8.3 per cent to US\$353.7bn. of which US\$282.2bn. arose from accident and health business. Investment income was also at a new record level of US\$25.9m. and net income rose by 3.7 per cent to US\$80.4m. Net income per share was 8 cents higher at US\$1.90.

However, the company reported that for 1975 earnings before tax declined by 1.1 per cent to US\$81.5m., because the amount paid out in benefits and expenses rose by 11.6 per cent. US\$331.2bn., a higher rate of increase than on the various sources of income. There was an alteration in the policy mix in the contracts of the company in 1975. The total dividend payable to policyholders. The general trend has been to provide higher benefits with a lower margin of profit compared with the older policy forms. General expenses have been reasonably well controlled despite inflation, but the expense ratio rose to 43.7 per cent, of accident, health and life premiums against 42.8 per cent in 1974.

Last October, the company paid a quarterly dividend of 16.5 cents on common shares, representing a 10 per cent increase over the dividend rate for the other three quarters of 1975. The total dividend payable for the year was the 24th consecutive year in which cash dividend payments to shareholders have been increased. The February, 1976 policy forms. General expenses have been reasonably well controlled despite inflation, but the expense ratio rose to 43.7 per cent, of accident, health and life premiums against 42.8 per cent in 1974.

Prior to last week's extension of the exchange offer, Pan Am had received tenders amounting to \$175.3m. principal amount of the two outstanding debenture issues, an official disclosed. That equals 51 per cent of the offer remains open, having been extended through June 10. All of that reduction to be reported as extraordinary earnings tendered during May will be AP-DJ

reported in earnings credited to that month. Big profits in the summer months helped by booming traffic levels, are expected to make the four-month deficit from operations, moving Pan Am into the black for the year to date during late summer on an operating basis as well as a bookkeeping basis. Whether the operating results will remain in the plus column during the traditionally deficit-ridden closing months of the year is what remains uncertain.

Pan Am recovery wrinkle

NEW YORK, April 24

DESPITE ITS \$61.7m. net loss in the first four months of this year, Pan American World Airways apparently is asured of reporting a "bottom line" figure in the black for all of 1976, which would be its first full-year profit in eight years.

And the airline already is certain to report net income for May which will be a record for a single month.

The one catch to all this seemingly good financial news for the long-languishing carrier, however, is that the big earnings gains are the result of book-keeping adjustments related to the airline's current offer to exchange two new issues of convertible subordinated debentures for two outstanding debenture issues. The exchange, as expected, is substantially reducing Pan Am's outstanding debt burden, with all of that reduction to be reported as extraordinary earnings tendered during May will be AP-DJ

Whether Pan Am can also achieve its planned objective of reporting a profit this year from its normal operations remains in question. In fact, because of delays in achieving some expected fare increases and heavier-than-expected use of discount fares, results so far this year appear to be disappointing in relation to the carrier's operating profit plan, which shows it modestly in the black for the full year.

But there is little doubt that the airline will be reporting a net income figure at year-end for the first time since 1968. It has already obtained \$80.7m. in pre-tax earnings from the debenture-swap offer and the offer remains open, having been extended through June 10. All of that reduction to be reported as extraordinary earnings tendered during May will be AP-DJ

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Government intervention in Colombia

BOGOTA, May 24.

THE COLOMBIAN Government has authorised the central bank to grant private industrialists a total of \$50m., repayable over even years at 23 per cent interest to buy shares in foreign-owned companies, Finance Minister Zorargo Botero said in a statement.

The credits will be financed by an expected 40 per cent increase in Colombia's coffee earnings, caused by a world coffee shortage following frosts in Brazil last year and the lagging civil war.

Total coffee earnings are estimated at \$1bn. this year. The credits will be made to individuals or companies to buy shares or property rights in foreign enterprises, excluding finance and insurance companies.

Financial sources said that foreign investments, involving about 240 companies including textiles, drinks, tobacco, plastics and chemicals manufacturers, currently total about \$400m.

Norsk Jernverk makes Kr.24m. loss

OSLO, May 24.

ORKS JERNVERK, Norway's state-owned iron and steel concern, made a loss of Kr.24m. (€3.8m.) in 1975, compared with a profit of Kr.15.5m. in 1974. Group turnover fell by Kr.15.5m. to Kr.811m.

The result reflected poor demand for many of the concern's products—particularly shipbuilding—particularly a 21 per cent increase in costs.

Wilhelmsen freight earnings

BY FAY GJETER

WILHILMSEN, Norway's largest shipping group, says freight earnings by the companies under its management totalled Kr.1.7bn. (€170m.) in 1975, 7 per cent up on a year earlier. Pre-tax profits, including financial earnings rose to Kr.316.7m. from Kr.304.8m. in 1974, according to the consolidated accounts.

Though profits from shipping operations themselves were slightly down on the previous year, this was more than offset by an increase in financial earnings. Net profits fell about Kr.30m. to Kr.18.5m.

The final report says the group has ridden out the slump in the tanker market so far, thanks to its policy of accumulating medium-long charters of three to four years. Many current charters will expire towards the end of this year, however, and from 1977 tanker market conditions will begin to influence accounts significantly. Wilhelmsen's strong liquid position will, however, help it to meet future problems.

At end-1975 the group's liquid assets amounted to some Kr.400m. and finance has been secured for almost all its Kr.1.5bn. new building programme. The degree of borrowing secured on the group's fleet is relatively modest.

Efforts have been made to build up reserves, in the form of 1975, and dividends paid by the companies have been cut back to the levels of 1973.

At end 1975, the Wilhelmsen fleet numbered 82 vessels totalling 2.25m. t.d.w., including 32 conventional cargo liners, five tankers, nine bulk carriers, two combined carriers, ten supply ships and one drilling rig. Average age of the fleet is 6.26 years.

The new building programme includes six cargo liners, four bulk carriers, one tanker, two drilling rigs, two pipe-lay supply ships and two towing/anchor handling vessels, all for delivery in 1976-77.

announced that car production in March topped 9,000, compared with just under 5,000 units for the comparable month last year. The April figure was 8,941 units compared with 5,556 units. During 1974, the best year in Chrysler España's history, the monthly average production was 7,200 cars.

The company also reported that the heavy vehicle market was beginning to show an improvement. Sales during April reached 508 units compared with 536 in the same month of 1975. A recovery in this sector is particularly important for Chrysler as truck manufacture is considered to be probably its most profitable activity.

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With costs rising sharply, and new labour legislation adding to wage bills, profit margins had been trimmed in some cases to little above break-even point. The Government is expected to face renewed demands for price increases by the end of the year, especially if the rate of inflation still shows no signs of being brought under control. At the recent Barcelona Motor Show, the Minister of Industry promised that he would consider a more flexible pricing policy in line with European practice. The Chrysler, which was seriously hit by strike action in January,

Record sales at Chrysler España

BY ROGER MATTHEWS

CHRYSLER ESPAÑA, the subsidiary of the U.S. multinational, today announced record sales and production during the months of March and April, another sign that the Spanish motor industry is beginning to revive from the depression of the past 18 months.

Despite relative optimism among the four main manufacturers, output during the second quarter of this year is expected to remain below the levels of a year ago.

The decision by the Ministry of Industry to permit price rises of between 5 per cent and 9 per cent, although the result of sustained pressure from the

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Hotel boom

Taking advantage of the hotel boom which started in India a few years ago, Air-India has diversified into this line. Its wholly-owned subsidiary, the Hotel Corporation of India, now runs a five-star hotel near Bombay airport and another is being built a few miles away on the palm-fringed sea beach of Juhu. The management claims that the occupancy rate at the airport hotel has been very good and expects the new one to be successful from the start, considering its very attractive situation and heavy demand from tourists.

Mr. Unni says that the wide-bodied aircraft holds the answer to cost problems. Compared with the older generation Boeings, the wide-bodied jet brings unit costs down substantially and has a reasonable break-even point at 65 per cent load factor.

Air-India has expanded its route network considerably since 1953 when it operated two routes only—Bombay-London and Bombay-Vladivostok. On one side, the network reaches New York, on the other, it touches Tokyo and Sydney, but the mainstay has been the services to

Europe and the Middle East. Recently Air-India has greatly increased its frequencies to the U.S. to finance its Boeing 707 purchases. They have been repaid, it also borrowed in the U.S. and West Germany to buy its Boeing 747s—the loans are being repaid, and the management does not expect any financial difficulties with the purchase of two more of the wide-bodied jets when it goes in for them in the near future.

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IR INDIA

Back on the profits path

FINANCIAL TIMES REPORTER

STRAY TO general expectations, and far exceeding its own estimates, Air-India, the public sector enterprise, has earned a reasonable profit of more than 10m. (about £1.5m.) for the year ended March 31. The result stands out in contrast with those of rational airlines generally.

Heavy losses India had suffered a heavy loss of nearly Rs.90m. in the year, it was, however, because of the quadrupled prices, although that pushed the fuel bill by 82 per cent, because of a three-month strike by its pilots in protest against an economy drive which had a rational deployment of light crews. The management stuck to the decision, and the pilot's strike collapsed before it had cost the company nearly Rs.120m. "But for strike, we should have had a profit," says the managing director, Mr. K. K. Tata who has remained chairman throughout, even after the complete nationalisation of the airline in 1953. In its career of 25 years, the airline has incurred losses only twice, that of 1974-75 included.

Air-India has financed most of its growth directly from its own resources. It has ploughed back into business some Rs.905m. in the process and built up assets worth Rs.1,720m.—and all this some American airlines are against investment of only Rs.615m. It is, he says, the world aviation industry should guard in the which are being repaid.

Because of the sound financial

position, Air-India's international credit standing too has been good. The airline raised \$100m. in 1975 to finance its Boeing 707 purchases. They have been repaid, it also borrowed in the U.S. and West Germany to buy its Boeing 747s—the loans are being repaid, and the management does not expect any financial difficulties with the purchase of two more of the wide-bodied jets when it goes in for them in the near future.

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MAY 4, 1976

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24th May, 1976.

Robert Gibbens writes from Montreal that the Olympics may face a \$1bn. deficit

Cloud over the Olympics

THE PRE-OLYMPIC marathon bidding plumbings and other construction workers to disrupt could have forecast. Less than two months before the Games are to open, people are still holding their breath.

At Easter, the sun suddenly came out and 200,000 Montrealers and visitors from Ontario and the U.S. filed awestruck through the \$1bn. Olympic stadium. Velodrome and swimming pools in 80-degree weather. In a sudden show of confidence and openness, the Quebec government's Olympics Installations Board had opened the gates to the populace. After all, the budget was still far away from what is \$1bn? But in a day or two, the sun went behind the clouds again. Now the handover to the Olympics Organising Committee, due on June 6, has had to be put back by a week to June 14.

The OIB says slowdowns and minor sabotage by plumbers and electricians have caused the delay, and have even affected the critical path. It says it has sacked 120 men—some are alleged to have thrown a rock at the OIB chairman. It also obtained a court injunction for-

had their share of crisis and mini-crisis.

Just after Easter someone realised with a red face that the concrete parapet at the third level of seating in the stadium had been made too high and that nearly 10,000 people would have their view of the events below impaired. "An architect's conceptual error," said the OIB, "but we should have seen it."

It has taken something like \$300,000 to chip 18 inches off the parapet and install plastic. The 59,000 permanent seats and the temporary seating is installed; men are laying down the turf. The Velodrome is ready, except for clean-up. The swimming pools do not leak, but as you look up at the "technical ring"—which contains the lighting circuits and some communications equipment—the sections do not fit together. They will stay like that till after the Olympics—don't worry, they won't fall.

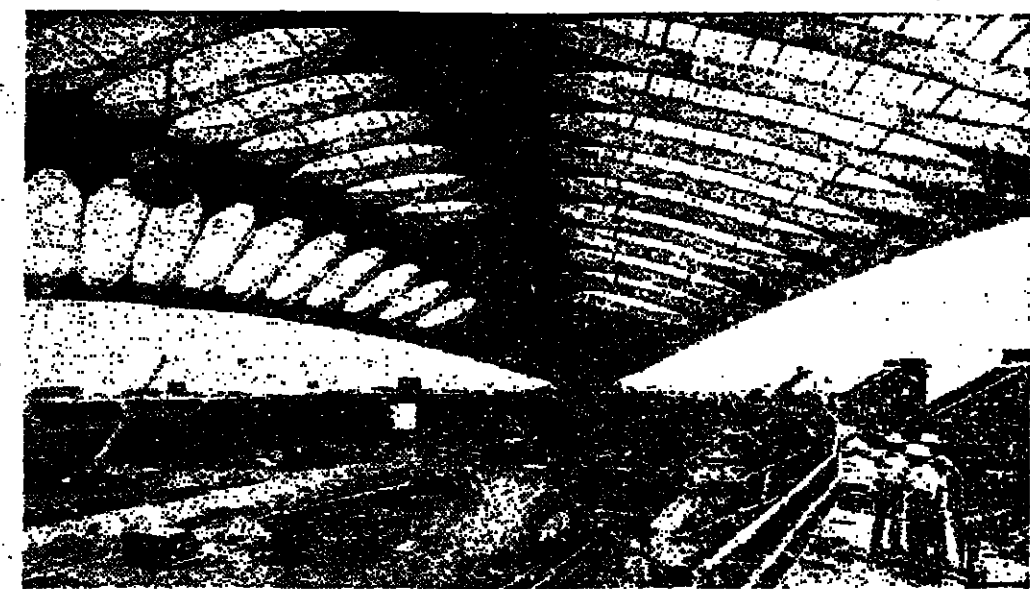
The Provincial Government has bought out the private entrepreneurs who built the Olympic Village to make sure on total outlays of over \$1.5bn. The accounting methods are even harder to fathom than those of Expo 1967.

When Mr. Victor Goldbloom, original contract signed between the Municipal Affairs Minister, the Olympic Committee and the who has responsibility for the builders on the ground that it was weighted far too heavily in cost of the facilities may go to the latter's favour. The Government now takes responsibility for selling the village as flats afterwards, having bought out the private backers for their equity and costs plus interest.

The French architect of the stadium, M. Roger Taillibert, will get somewhere between \$12m. and \$14m. gross for his team's design and supervision efforts up to last autumn, when he was sent packing.

Games facilities

Somehow in this inflationary age the total cost of the games facilities, including sports centres outside the stadium area, has gone up a further several hundred million dollars, and Government spokesmen mention softly that the total deficit may now be over \$1bn. The Taillibert concept, precast pre-stressed concrete construction, and the short timespan, and the determination of the construction unions to exploit the unique opportunity to gain large pay increases have combined to balloon costs. Nearly 100 cranes were working inside the stadium last autumn—when the Olympics Installations Board



The Olympic Velodrome, at least, is ready—except for a clean-up. Some building workers said they were earning about £14,000 a year on the Olympic site.

look over—probably far more than could be useful. Some construction men provide temporary relief because the extra money will go into the Government's general funds; not about 20 per cent. of the time, because of inefficiencies arising from the contractors' need to speed up the work excessively.

The Federal Government has come to the rescue with Lot 69, a lottery which is to run separately from the Quebec lottery. All parties, including the Quebec government, have until 1979, and, with luck, will call on the Federal Government to help Montreal in raise a net \$300m. The Quebec government tabled an austerity budget which in effect told the Bourassa of Quebec that they will have municipalities will be given new taxation to help meet the A lot of people, particularly Extra cigarette tax the large unions, tried to push

Tax sources

Mayor Jean Drapeau of Montreal has gone silent, for once, as the Provincial Government refused to ease the tax load on Montreal property owners. And armed forces helicopters have been seen flying over Montreal, "familiarising themselves with VIP routes and other landmarks," as the authorities really put it. The heli-chase will be ready on July 17, I think. Do you want to take a

HISTORY TODAY

Edited by Peter Quennell and Alan Hodge

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FRANCE

A Financial Times Survey

The Financial Times proposes to publish a special survey of France on Tuesday, June 22, to coincide with the visit to Great Britain of Monsieur Giscard d'Estaing. The proposed editorial content will include the following:

The Economy

Foreign Policy

The personal views of M. Jean-Pierre Fourcade, the Finance Minister, on the French economic situation

The Seventh Plan

The Car industry

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This survey will provide an excellent opportunity for your organisation to publicise its products or services—for further information phone Patricia Surridge at the Financial Times on 01-248 8000 extension 426, or write to Bracken House, 10 Cannon Street, London EC4P 4BY.

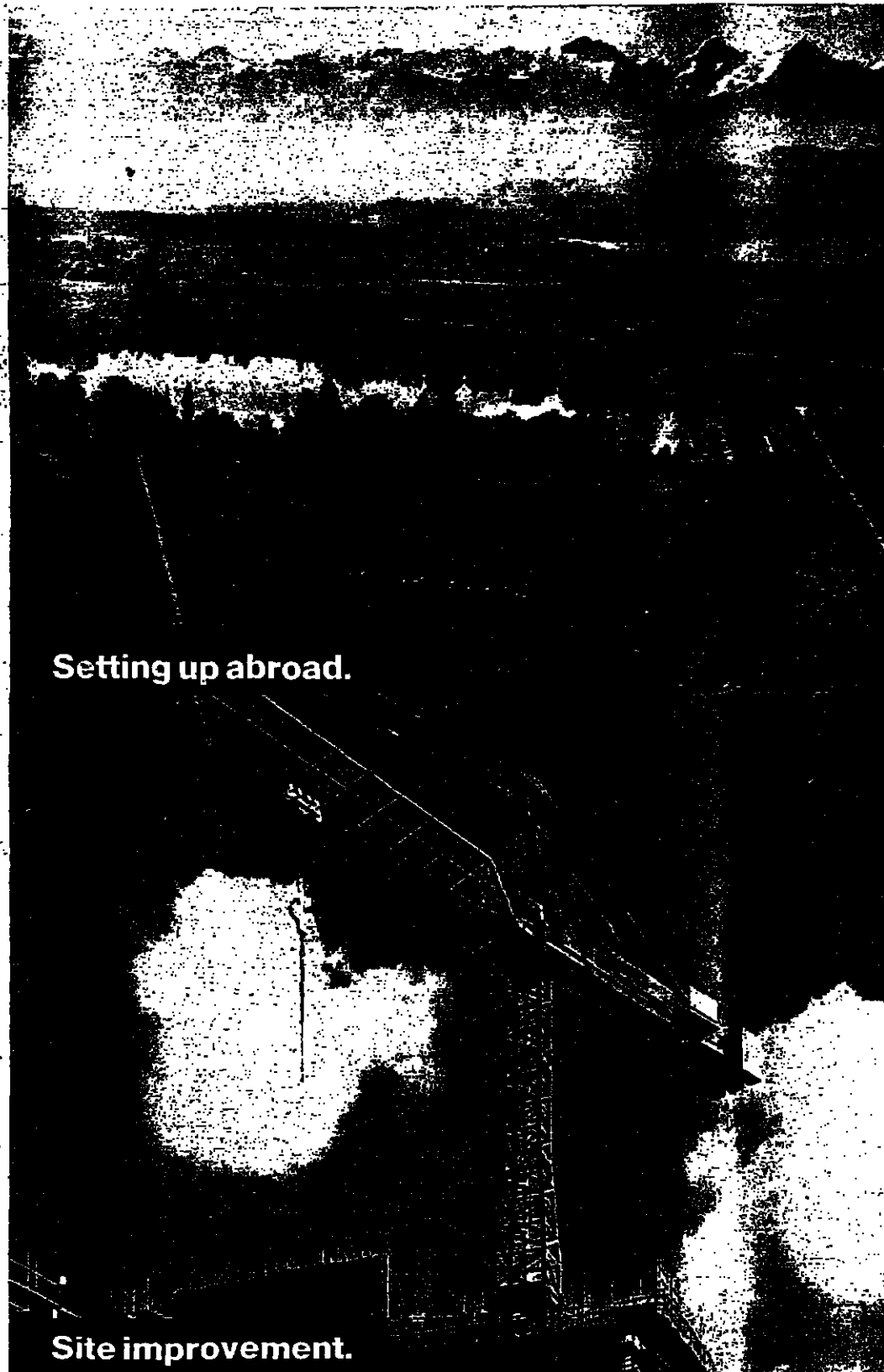
FRANCE

An FT Survey scheduled for publication on June 22 1976

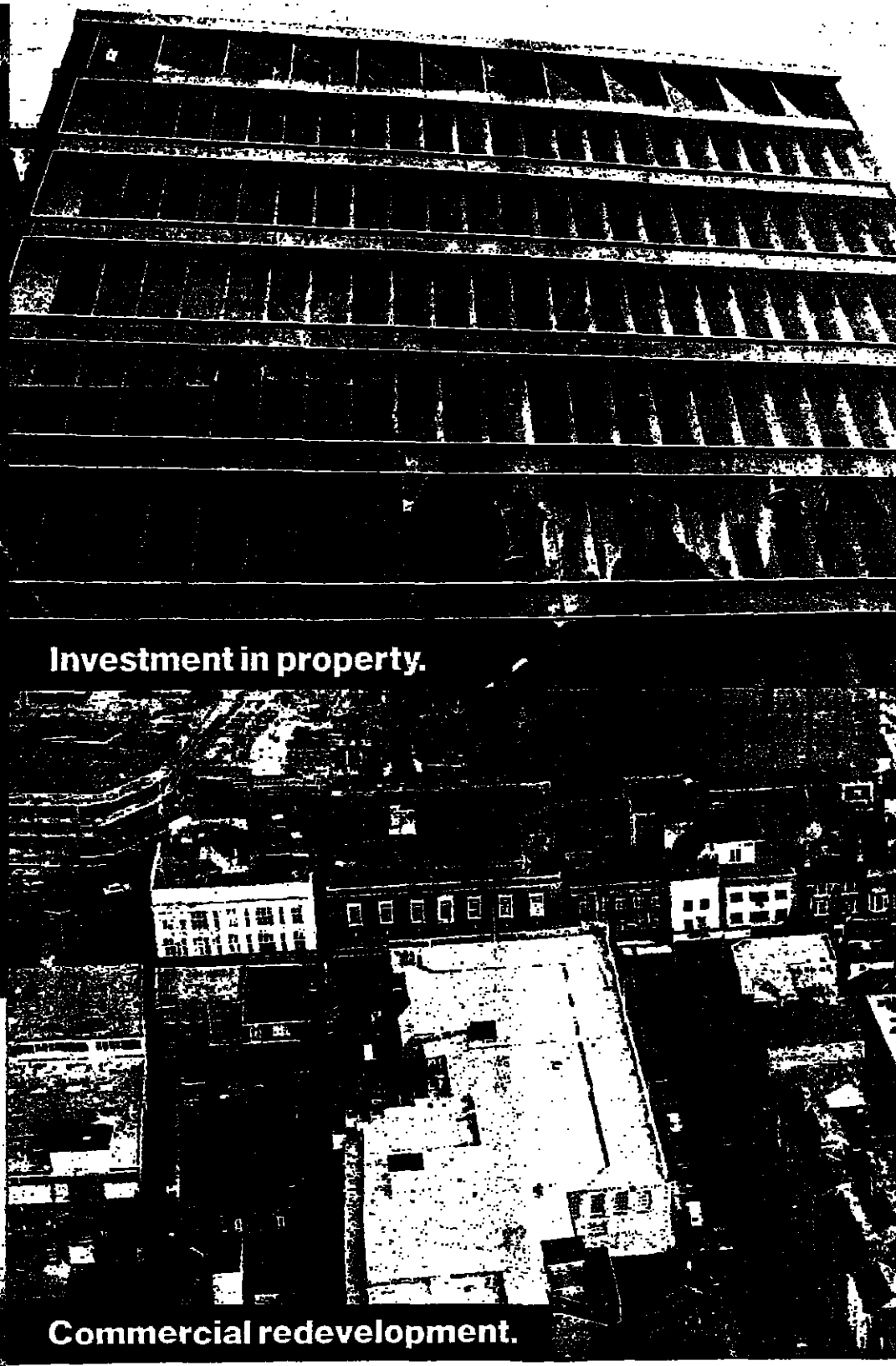
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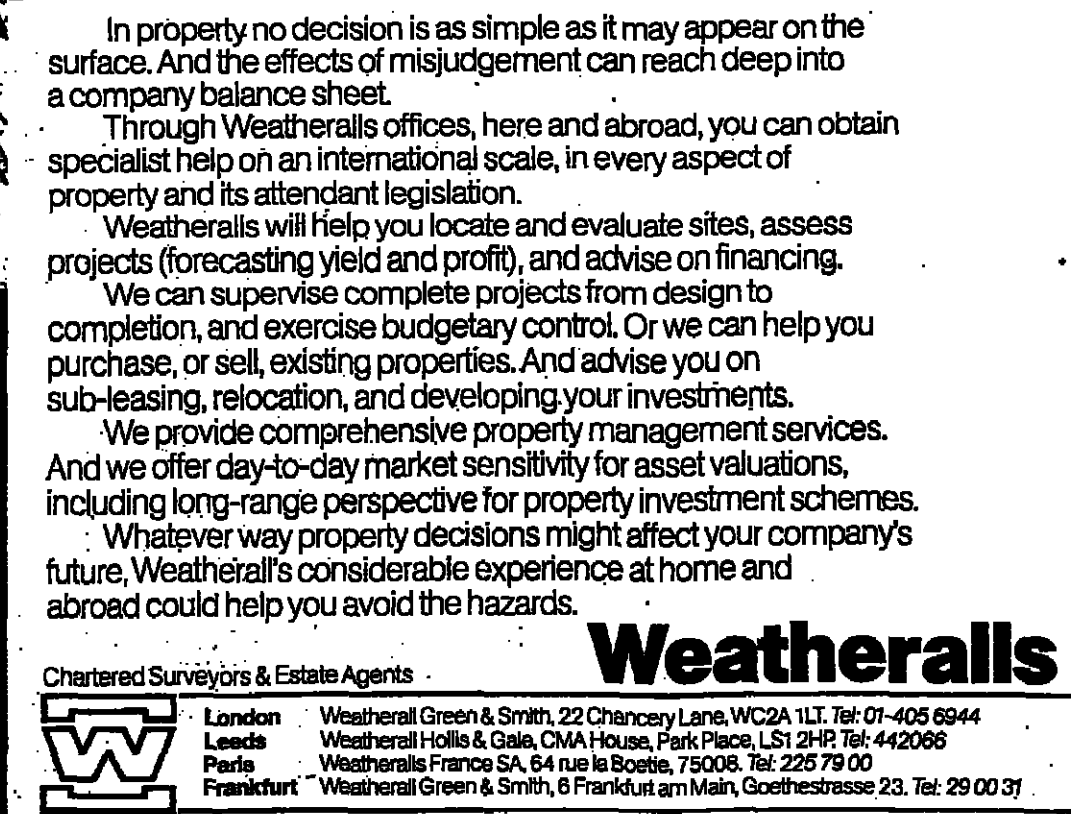
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FARMING AND RURAL MATERIALS

New offer of Polish timber

PAGED, the Polish state selling organisation for forest products, has made a second offer of softwood to the U.K. market. The offer circulated to the trade covers 60,000 cubic metres at prices which show an increase on the adjusted prices of the first offer. A currency clause is included which bases the value of sterling at \$US1.50 with a plus or minus five cent limit. If the pound moves outside these limits then the currency factor is adjusted back to \$1.50.

The feeling among importers who specialise in Polish wood is that the prices are on the high side although the small quantity offered can be easily absorbed. The offer was coincided with the latest weakness in sterling and the rise in interest rates. There could well follow a reappraisal of market prospects and requirements. Almost certainly the Poles and other suppliers will face a change of sentiment and some tough bargaining.

Steady prices forecast for rubber

KUALA LUMPUR, May 24. RUBBER PRICES are likely to remain above \$M2 per kilo during the next few months, the latest monthly review by the Malaysian Rubber Exchange and Licensing Board says.

The underlying strength of the natural rubber market will persist aided by economic recovery in the U.S. and Japan and a number of Western European countries. China is still abstaining from the market but demand is expected to enter as soon as stocks become depleted and the political situation shows signs of stabilisation.

The review said Japan continued to obtain its natural rubber supplies from Thailand but demand from Eastern Europe is expected to improve, and there is presently a growing demand for forwards, especially for 1977.

LEVER TO SPEAK AT COMMODITY CONFERENCE

By Our Commodities Staff

MR. HAROLD LEVER, Cabinet specialist on financial matters, will be the lunchtime speaker at the conference of the International Association of Commodity Traders, which is being held at the Grosvenor Hotel in London on Thursday and Friday.

Other speakers include a wide range of leading figures from the London Metal Exchange, "soft" (non-metal) commodity markets and investment and financing companies.

Metals easier on higher sterling and interest rates

BY JOHN EDWARDS, COMMODITIES EDITOR

THE RISE in the value of sterling, increased interest rates and lack of trade buying, brought a generally easier tone in the London metal markets yesterday, with the exception of tin.

As expected, copper stocks held in London Metal Exchange warehouses rose by 1,525 tonnes to a record total of 539,750 tonnes. But the market has become accustomed to this rise in these huge stocks and was more influenced by the trend in sterling and interest rates. It is felt that the lack of confidence in sterling still limits any likely fall in copper prices, with signs of buying resistance at the lower levels providing a firm underpinning.

But the rise in interest rates, raising the cost of carrying stocks, is a definite depressing influence especially on the cash price and traditionally May/June tends to be a quiet trading period in front of the seasonally slack summer holiday period. So the market could be locked into a relatively narrow range in the absence of any important fresh developments.

The tin market shrugged off a big rise in warehouse stocks—up by 2,695 tonnes to 10,925 tonnes—since this increase was attributed to transfers from the London Metal Exchange to the buffer stock of the International Tin Council and did not represent a big inflow of fresh supplies. The steady market tone was encouraged by a rise in the Straits tin price in Penang over the weekend. But cash tin did come under pressure from the rise in interest rates and earlier gains were practically wiped out by the close.

A fall of 75 tonnes in lead stocks reducing total holdings to 6,775 tonnes was unexpected, since a small increase had been forecast, but prices were little affected and moved lower in line with the trend in copper in very quiet trading conditions. A rise in the stocks came as no surprise and values drifted lower too in the absence of either much buying or selling interest. LME silver holdings rose by 90,000 to 15,890,000 ozs.

Meanwhile, it was confirmed yesterday that guarantees of the MacLaine Watson and the London Metal Exchange following a change of ownership and directors. The guarantees were supplied by the parent company, Metal Traders Inc. of New York in conjunction with its joint owners Merrill Lynch, Pierce, Fenner and Smith and Ray Corporation, in which the New York Group has a controlling interest.

Mr. Allen S. Snyder, president of Transcontinental Metals, the subsidiary of Metal Traders that has acquired 100 per cent of the MacLaine Watson shares, said that ring-fencing membership of the London Metal Exchange in well-qualified trading conditions. A rise with the group's world-wide trading activities in metals. In the arrangement he felt it was right to ensure the financial stability of the market.

Price key to dairy surpluses

BY OUR COMMODITIES STAFF

COMMON MARKET surpluses of dairy products will only be solved by following a realistic price policy, Mr. Fred Peart, Minister of Agriculture, said yesterday when he opened the 1976-77 Dairy Trade Federation's annual conference at Stratford-upon-Avon.

"This means that price increases should be limited to the absolute minimum necessary to compensate the modern efficient farmer for increases in costs," he said.

However he defended the U.K. industry's right to expand production. Even with the 12 per cent increase in milk output last year Britain still remained far from self-sufficient in milk products. Last year butter production in the U.K. accounted for only about 10 per cent of consumption and it imported a third of its cheese.

"In total we spent more than £800m. in dairy products in 1975," Mr. Peart said. Import values alone were £400m. The message is quite clear. Not only is there room for domestic expansion of milk production, but extra production will become increasingly valuable in terms of imports saved over the next year or so.

Mr. Peart said his policy for expanding milk and milk products output in Britain took into account that there was an urgent need to bring supply and demand into better balance in the EEC. "But I do not accept that the United Kingdom, which is not even applying full community prices, should deliberately restrict production so that less efficient farmers elsewhere can continue present levels of production."

"Given that parts of this country are particularly suited to produce milk and given that we have a large market for dairy products, our industry must surely be entitled to make the most of the opportunities open to them."

Mr. Nicholas Horsley, the federation's president, said that Britain's dairy farmers were not to blame for the surplus of milk in the EEC.

"We do not have a surplus," he said. "When people talk of surpluses they are talking about the surplus of milk in the EEC."

Mr. Jimmy Goldsmith, chairman of Cavenham Foods, said: "Britain's housewives must learn to forgo the occasional food bargain so as to provide the

Cocoa limit up then limit down

By Our Commodities Staff

COCOA PRICES moved erratically from limit up to limit down on the London futures market yesterday. The July position after trading as high as \$1.44 a tonne in the morning, later fell to \$1.08 before rallying to \$1.10 at the close, \$15 down on Friday's close.

The higher opening was attributed to the firmer tone in New York on Friday evening and the report that Nigeria was seeking an extension of cocoa shipments due for delivery in the March-May period. This raised further fears of a squeeze on nearby supplies. However, the market then came in for heavy selling by the trade and speculators, especially chartists, and prices fell heavily.

Coffee prices followed a similar pattern. After opening higher on the London Robusta futures market, values fell back in later trading on profit-taking sales by speculators. The July position eventually closed \$28.5 down at \$1,399.5 a tonne.

World sugar values also eased, following reports of Thailand holding a selling tender for 60,000 tonnes, although this was offset to an extent by reports that the planned to buy 30,000 tonnes. Market sentiment was also affected by a Reuters report from Brussels that prospects for the Belgian beet crop were "marvellous" and that recent rains were improving the British beet outlook.

U.S. ORDERS STOCKPILE REPORT

THE U.S. GOVERNMENT has commissioned Commodities Research Unit to provide a special report on methods of using national commodity stockpiles to stabilise prices. The report is expected to be completed by the end of the month.

Mr. Sigmund Sternberg, chairman of CRU, pointed out that the report could be of great significance in view of the current worldwide interest in commodity price stabilisation. It is particularly topical in view of the current United Nations meeting in Nairobi where raw materials price stabilisation schemes are a key issue.

Commissioning of the special report, due to be completed by the end of the month, is evidence of the changed U.S. attitude to international commodity agreements.

WORLD BANK Boosting beef output in West Africa

BY A CORRESPONDENT

UPPER VOLTA is one of the poorest of the poverty stricken countries for which UNCTAD IV in Nairobi when they set out will try to provide special help. Ranges are often badly damaged by burning. Agronomists from developed countries can bring no estimate that if the pastureland direct benefit to its major export—livestock—which goes to feed the cities of the richer coastal countries of West Africa and does not deplete the land.

Now an ambitious livestock development project has been launched, with World Bank backing. The project aims at using a single pilot area, in the south-east of Upper Volta near the Diebougou, to provide a model for agricultural production, solving all these problems. There are something like 25m. head of cattle in the country, four-fifths of which is being herded by up to a third.

The project's first task will be to improve facilities for all the pastoralists in the area. The coverage of vaccination services will be pushed up from 40 per cent to 80 per cent. The cost of the project is \$11.9m. The livestock development project aims at using a single pilot area, in the south-east of Upper Volta near the Diebougou, to provide a model for agricultural production, solving all these problems. There are something like 25m. head of cattle in the country, four-fifths of which is being herded by up to a third.

The whole project is expected to raise cattle production in the pilot area by 10 per cent, and sales by 30 per cent. Since Fulani incomes are more likely to benefit than farmers', the latter will get a complete package of fertilisers, improved seeds and capital equipment so their yield will also be increased.

Tsetse

The project is of great significance for Upper Volta, and the other Sahel states, because the potential market for beef in the coastal countries, unable to produce their own beef cattle because of the tsetse fly, is enormous. The hope is that the lessons learned can later be applied to the whole country. In the long run, though, it may prove difficult to fuse tribes with disparate cultures into a single management unit. The more realistic way to integrate arable and pasture farming may be to persuade Fulani herders to become partly herders and to grow crops, too, and to encourage the farming and animal husbandry. Whichever way is chosen eventually, it will mean a massive programme of re-education.

Nomadic

Traditionally cattle are herded by nomadic Fulani pastoralists. They own 70 per cent of cattle and most of the other 30 per cent is handed over to them by the regional centre, Bobo. This system of specialisation has adequate watering points. At present, more than half the cattle are used for slaughter. The Fulani pastoralists are on average about three times higher than from farming. Even businesses in the Ivory Coast, so productivity is way below this because the slaughterhouse is not big enough, stock and range management. Only half the calves reach export on the hoof. More of maturity, and the incidence of this income will come to Upper Volta when this slaughterhouse is expanded as part of the project. But the most ambitious venture which do eventually reach involves the setting up of nine

Farm water shortage limited—Ministry

BY PETER BULLEN

OVER THE past week most farmland in England and Wales has had significant rainfall. Although moisture deficits still persist in the South East and parts of the Midlands, the Ministry of Agriculture said yesterday.

In the first of its weekly reports that will be published until the end of harvest the Ministry's advisory officers throughout the country stated that the problems resulting from inadequate water supplies appear to be limited and are nearly all arising on farms with their own water supply.

Water is available for irrigation in most areas and the recent rain has been sufficient to bring growth over the next few days. Silage quality should be high but in the drier areas cuts have been up to 30 per cent below the normal expectations.

North of Lincoln and in parts of the West and Wales grass growth is satisfactory. The average sward cover of high quality silage are being cut. In Southern England there has been some encroachment into the conservation area by grazing stock, and favourable growing conditions are needed to provide adequate fodder," it stated.

The showery weather should give a marked improvement in sugar beet and the early potato crop is growing well with harvest beginning in the next few weeks. In Kent or Essex next week making good growth after slow start. Winter cereals are also growing well and spring crops are beginning to move. All livestock are in good condition and milk yields are "holding well," the report states.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lever on balance on the London Metal Exchange, which opened at \$25 in the pre-market and fell to \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

LEAD—The price of lead was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

ZINC—The price of zinc was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

COCAOA—The price of cocoa was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

SOYABEAN MEAL—The price of soyabean meal was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

WOOL FUTURES—The price of wool futures was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

MEAT/VEGETABLES—The price of meat and vegetables was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

JUTE—The price of jute was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

Is sterling at its low?

26 MARCH 1976: the exchange rate for sterling was US \$1.52. Robert Foale, research director of Eurocharts, forecast a near term fall to \$1.50 and a longer term decline to \$1.45.

17 MAY 1976: the sterling/dollar rate was 1.7975. What is the effect of currency fluctuations on commodity prices? What is the future for sterling? For those latest views on currencies and commodities, please Eurocharts Information Service, 01-283-2298.

EUROCHARTS INFORMATION SERVICE

COFFEE—The price of coffee was \$24.90 in the first session. The price was \$24.90 in the first session. The price was \$24.90 in the first session.

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COMPANY NOTICES

FRENCH KIER HOLDINGS LIMITED

Notice is hereby given to the holders of the 7 1/2% Unsecured Loan Stock of French Kier Holdings Limited, which is due to be repaid on 15th June 1976, that the Company has decided to extend the date of repayment to 15th July 1976.

COMMODITY TRADING

Proton Gardner (Commodities) Ltd. will be pleased to send you any booklet free of charge. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

GOURMET

ALLIOTT, ROBERTSON & CO. LTD. is a leading firm of food and drink wholesalers. We supply a wide range of products to restaurants, hotels, caterers and other commercial establishments. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

LEGAL NOTICES

NOTICE OF PETITION in the High Court of Justice, in the County of London, in the Matter of SALON COSMETICS LIMITED and in the Matter of THE COMPANIES ACT 1949 to 1975. NOTICE is HEREBY GIVEN that a petition has been presented to the High Court of Justice, in the County of London, in the Matter of SALON COSMETICS LIMITED and in the Matter of THE COMPANIES ACT 1949 to 1975.

FINANCIAL TIMES

FINANCIAL TIMES is a leading financial newspaper. It provides a wide range of financial news and analysis. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

REUTERS

REUTERS is a leading news agency. It provides a wide range of news and information. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

DOW JONES

DOW JONES is a leading financial newspaper. It provides a wide range of financial news and analysis. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

USSR to give Canada part of its fish quota

THE SOVIET Union has agreed to give Canada part of its North Atlantic fish quota. The agreement was announced by the Soviet Ministry of Fisheries. Write to: 153, SUNDERLAND ROAD, BRADFORD 10.

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FINANCIAL TIMES SURVEY

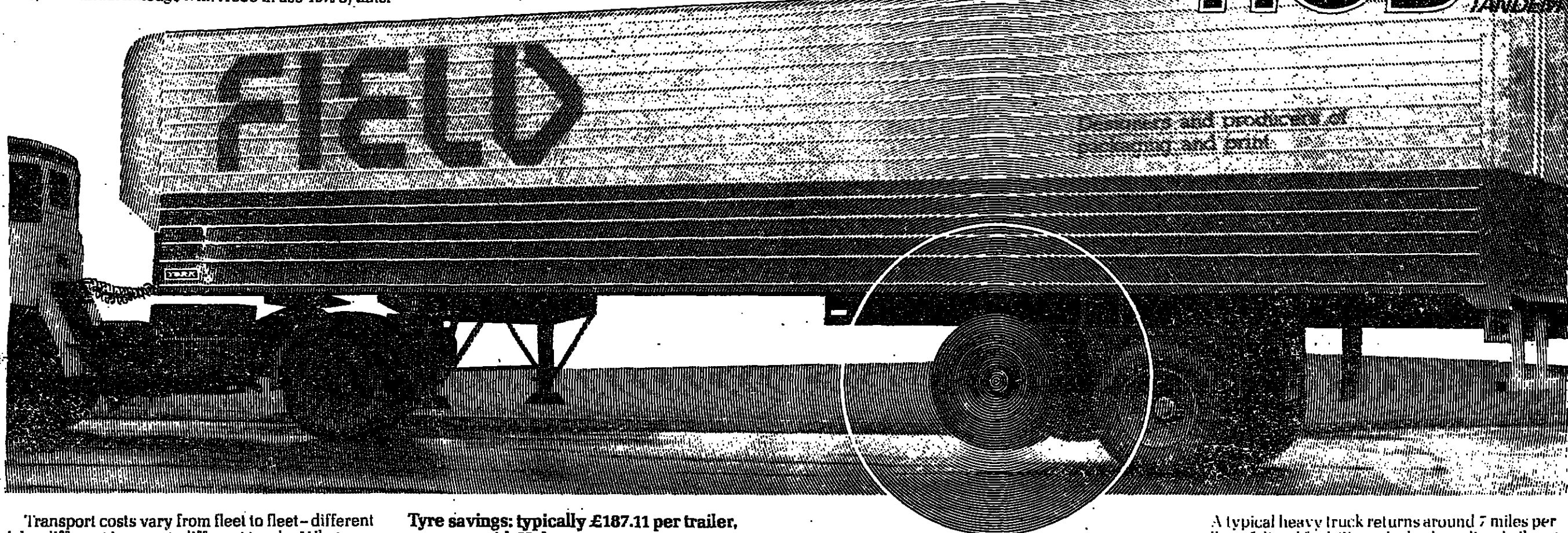
Tuesday, May 25 1976

Trailers

Within the last few weeks trailer manufacturers have begun to detect the first signs of improvement in the U.K. market for at least 18 months, but a full recovery may not come until 1977.

How to save £280* per year per trailer—YORK HOBO

*Figures based on modest assumptions
—70,000 annual mileage with Hobo in use 45% of time.



Transport costs vary from fleet to fleet—different jobs, different journeys, different trucks. Whatever your costs, they are increasing all the time (witness the recent 7½p. per gallon on diesel oil).

But now here's some good news. A York Hobo lifting axle will save you a lot of money by cutting down fuel and tyre costs (unless, that is, you run tandem axle trailers fully loaded at maximum legal weight 100% of the time out and home—and we have yet to find someone who does).

Now with Hobo—the trailer adapts to its load

Called the Hobo, this patented new suspension is truly an energy saver. In reality it is two suspensions in one—a tandem axle for maximum loads or a single axle for part loads, lightweight loads or no load at all.

The driver lifts or lowers the leading axle at will, adapting the trailer instantly to suit the load. (There is even an optional overload protection valve that lowers the first axle automatically if the rear axle is overloaded.)

To find out just how big the savings will be for your fleet enter your own figures in the box below. Our figures come from a survey we did recently covering all kinds of fleets and different operations. You will be interested to see how your fleet measures up.

Tyre savings: typically £187.11 per trailer, per year with Hobo

You are probably paying around £80 for a size 10.00 x 20 truck/trailer tyre. The consensus in our survey showed up 100,000 miles as typical life-mileage on a single axle trailer with 4 tyres (two twins). Tyre life with a two axle 'tandem' trailer is around 70,000 miles.

Typical annual trailer mileage is 70,000 per year, according to our researches. Your figure will doubtless vary up or down on that.

How often do your vehicles run fully loaded at maximum weight?

55% is a good average—probably a bit on the high side. At any rate we know that for at least 45% of their life, trailers run either empty or at best part loaded—say with up to 13 tons on a 20 ton trailer, or with a load that fills the vehicle with volume but not weight.

Now to the figures:

Typical tyre costs on single axle trailer

£80 tyre cost x 4 tyres x 100 pence = 0.32 pence
100,000 miles tyre life per mile

Typical tyre costs on tandem axle trailer

£80 tyre cost x 8 tyres x 100 pence = 0.914 pence
70,000 miles tyre life per mile

Now, if your trailers could run some of the time as a tandem (when they are fully loaded) and the rest of the time as a single axle (when empty or with payloads of up to 13 tons) the tyre cost would be:

0.914 p
— 0.320 p
= 0.594 pence less per mile

So you would save rubber to the tune of 0.594 pence per mile, every mile you run with the axle lifted.

So, if you do 70,000 miles per year (as our average shows) and use a York Hobo, axle lifted 45% of the time, the tyre savings will be:

45% x 70,000 miles x 0.594
100 pence

= £187.11 per year, per trailer.

Now ADD the fuel savings

By reducing tyre scrub and drag, the York Hobo lifting axle saves 4% of fuel costs when the trailer is running empty or partly laden. This saving was established in long term tests carried out under the direction of the Cranfield Institute of Technology.

The 'Cranfield report', describing the 4 week series of continuous road tests is available on request.

A typical heavy truck returns around 7 miles per gallon of diesel fuel. Since the budget, diesel oil costs around 55 pence per gallon.

Again, using the Hobo lift-axle 45% of the time yields this saving:

45% x 70,000 annual mileage
= 31,500 miles with Hobo lifted

31,500 miles
7 m.p.g. = 4,500 gallons used @ 55p

= £2,475 fuel cost

4% savings x £2,475
= £99 annual fuel saving per trailer.

SO WITH THE YORK HOBO lifting axle you can bank on saving £187 on tyres plus £99 on fuel = £286 per trailer per year.

Payback Period?

What does it cost? When you invest in a York Trailer or Freightmaster van equipped with a Hobo lifting axle, you will pay around £350 extra for it. So for most operations the pay back period is less than 15 months.

Thereafter, the York Hobo adds to your profits every day for the rest of its life—(8 years and on).

You should get to know more about the York Hobo—it will do wonders for your distribution figures. Go on—give them a lift.

and still more savings—10% on fuel with AIR O FOIL

AIR O FOIL is a tough, light, GRP blister that dramatically reduces AIR-drag when mounted onto the front bulkhead of rigid delivery vans, curtainsiders, trailer vans and other high trailers of any make—it doesn't have to be a York.

Actual fuel savings reported by AIR O FOIL users

- | | |
|--------------------|-------|
| 1) BLUE DART | 9.8% |
| 2) PILKINGTON BROS | 9.2% |
| 3) JAMES AIDLEY | 13.3% |
| 4) DRAKAFOAM | 17.6% |

These savings were made with different trucks and different loads, but they do show that a 10% average saving is a conservative claim.

Pay back period less than 5 months.

The day that your AIR O FOIL pays for itself will depend on your fleet and its work pattern. The harder you work it, the quicker it pays. Typical use puts you in pocket within 5 months.

ACT NOW—all York branches have AIR O FOIL in stock—they'll fit them for you fast. The sooner it's fitted, the sooner you'll start to save.



TO FIND OUT JUST HOW MUCH HOBO WILL SAVE YOU, ANSWER (A) AND (B) THEN FILL IN THE BLANKS

How often do your trailers run empty or part laden-up to 13 tons (%) (A)

What is the annual mileage of your trailers (miles per trailer) (B)

TYRES: Tyre costs per mile on your single axle trailer are—

£ tyre cost x 4 tyres x 100 pence = p. per mile (C)
..... miles tyre life

Tyre costs per mile on your tandem trailer are—

£ tyre cost x 8 tyres x 100 pence = p. per mile (D)
..... miles tyre life

Therefore tyre saving with Hobo in use is: (D)
(C)

..... (E)
pence less per mile

Tyre saving per year per trailer will be
% (A) x (B) x (E)
100 pence

= £ annual tyre saving per trailer (F)

FUEL: The 'Cranfield Report' attests to Hobo's fuel saving at 4%.

Therefore % (A) x (B) miles
with Hobo lifted (G)

..... (G) mpg of 32 ton truck

..... galls fuel
p. per gallon

4% saving x £ (H) = £ ann. fuel saving (J)

So with York Hobo lifting axle you will save
£ (F)
+ £ (J)
= £ per trailer per year

Divide your annual saving by 12 to get the monthly saving and you'll soon see how quickly Hobo pays for itself. From then on the savings are all extra profit.

YORK

York Trailer Company Limited, Northallerton, Yorkshire, England. Tel: Northallerton (0609) 3155. Telex: 58600

branches at: AVONMOUTH phone: (02752) 4831. CANNOCK phone: (05435) 4864. CARDIFF phone: Llantrissen (0443) 224621. CORBY phone: (05368) 3561. DARLINGTON phone: (0325) 67725 or 88837. DONCASTER phone: (0302) 88221. GLASGOW phone: 041-779 5224.

*SWITCH phone: Kesgrave (047362) 3417. RAINHAM phone: (04027) 59931. SOUTHAMPTON phone: Chandlers Ford (04215) 69658. WARRINGTON phone: (0925) 30528 or 37193. WATFORD phone: (0925) 23387 or 01-930 6171/2. BARENDRECHT (Holland) phone: 01857-1444 or 1445.

TRAILERS II

The first signs of a recovery

THERE IS NO question that the past year has been an un-nerving period for trailer manufacturers, with sales of semi-trailers in the U.K. dropping by about a half compared with the year before, and manufacturers forced to slim down in an attempt to hold costs. But within the past few weeks there has been the first signs of an improvement.

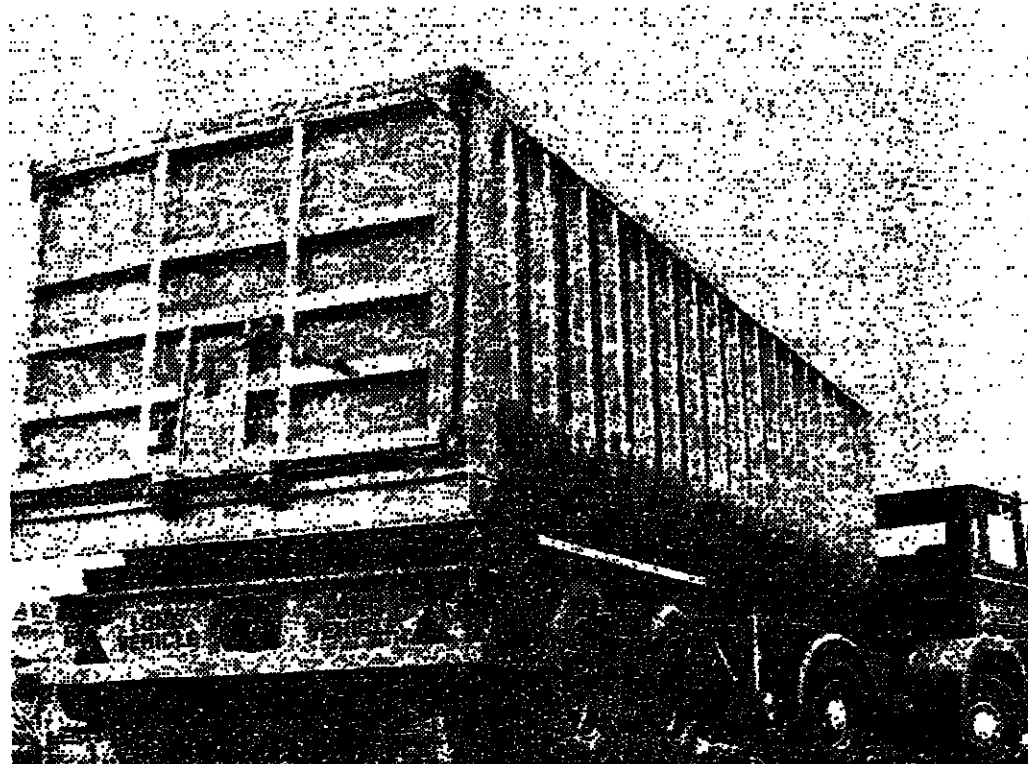
Crane Fruehauf, the largest of the British manufacturers, with a workforce of 2,400 to-day declared first half losses and final profits of only £111,000 pre-tax against almost £2m. in the previous year. The company was forced to trim its labour force by 500, and York Trailer, the second largest trailer producer in the U.K. with a 1,200 strong labour force, closed its Corby plant to concentrate production at Northallerton.

Slump

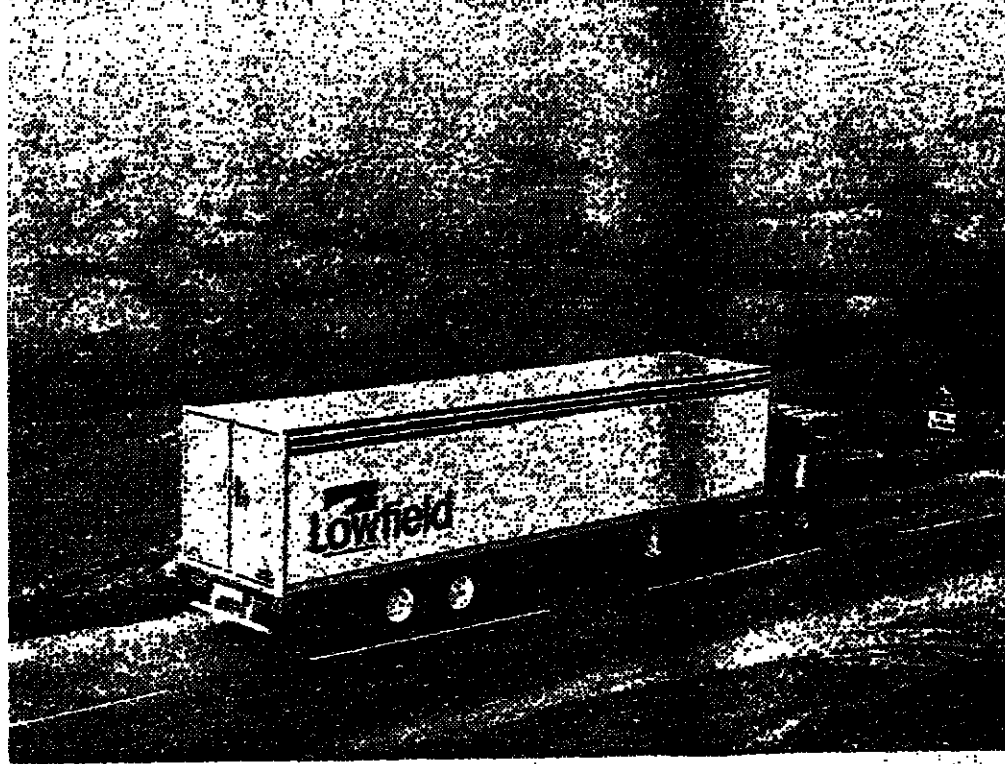
Behind this decline in sales was a slump in the whole of the haulage business. Some estimates suggest that about 25 per cent. of the national truck fleet was laid up last year, and lorry manufacturers themselves saw registrations drop sharply. The problems were particularly acute in the general haulage business, catered for particularly by the basic platform trailers. In this sector, which is supplied by a number of very small, localised companies as well as the large national concerns there were undoubtedly a number of bankruptcies last year.

These kind of financial failures are part of the natural pattern of the trailer industry, which is still, as one executive puts it, one of those "black-smithing industries where you can set up under the railway arches." Small firms come into being in response to escalating demand during boom periods, and then tend to close up again during the next slump.

Inevitably, however, there has been a drift away from this kind of industrial structure during the last few years. The industry has developed more sophisticated production techniques, both to cope with the increasing demand for road



Recent developments from Crane Fruehauf and York Trailer. Crane's tipping trailer (left) gives increased stability and tipping position. York's Freightmaster (right) is popular in the food industry with its glass fibre coated plywood sides.



the trailer for a specific period with an option to buy it at certain points at a set discount.

The third main area of diversification for the manufacturers has been servicing and parts. York, for example, has a widely scattered network of servicing depots spread around the country, and offers a variety of spare parts to trailer users who may want repairs on competing manufacturers' products. An extension of the York facilities is a new parts distribution service called Transport for the trucking industry under which it sells a whole range of replacement spares to hauliers on a cash-and-carry basis.

York believes that in big times, particularly these extra services pay-off. It argues that during a recession customers keep their trailers on the road longer, and therefore need more repairs. There is a great deal of logic in this approach which has been successfully exploited in the car industry, and Crane Fruehauf also set up its own service and equipment company five years ago. It markets its own complete range of components plus radios, batteries and so on.

Resilient

Given this range of activities the trailer industry to-day is an exceptionally resilient animal. It is used to the cyclical nature of its business, and equipped to stand it, although it would be unable to live through many more years as bad as 1975.

At this moment, it seems that 1976 will, in fact, be better than 1975. It is hoped that a real recovery back to the levels of the early 1970s rest on 1977. The industry has equipped itself during the last decade for a U.K. production level of about 25,000 semi-trailers a year. Last year it produced less than 10,000 according to the official Department of Environment figures against 20,000 the year before, and this year is expected to reach a level of only about 14,000. Clearly that still leaves plenty of scope for improvement and a continuing assault on export markets.

Ferry Dodsworth

haulage, and the complexity of the loads carried. On the one hand manufacturers have been investing in labour-saving, flow-line techniques to produce the basic products more simply. On the other, they have been developing more and more sophisticated vehicles to cope with the transport of dangerous gases and liquids, and goods which need to be carried in insulated or refrigerated vehicles.

The escalating capital and technical demands of the last decade were among the main reasons behind the series of mergers and takeovers which have created an industrial structure in which three large companies are reckoned to account for about 80 per cent. of production.

Crane Fruehauf which has 45 to 50 per cent. of the market, was created when the former Crane concern, very much a specialist manufacturer, was trying to break into the general haulage trailer business. At the same time the U.S. com-

pany, Fruehauf, was looking for expansion possibilities in the U.K., and the two came together with Fruehauf getting 33 per cent. of the equity. Crane was later to take over Boden Trailer, the one significant public trailer company to have been established since World War II.

Cravens Homalloy was similarly a target for takeover by the John Brown group some 5 years ago, an acquisition that was quickly followed by the absorption of Taskers, another specialised producer. And more recently, Peak Trailer has been taken over by Trailer SA, the French subsidiary of Pullman Corporation of the U.S., and one of the largest trailer manufacturers in Europe.

The consequence of this rationalisation is that the U.K. has one of the most streamlined trailer manufacturing industries in Europe, with Crane taking about 45 per cent. of the market, York 25 per cent., and Cravens Homalloy 10 per cent. What this has meant over the

last year is that it has been in a better shape than most to take advantage of export opportunities, and overseas sales have consequently risen quickly to compensate for the sluggish home market. All the large manufacturers have found exports invaluable in the last 12 months, with particular emphasis on the Middle East, Eastern Europe, where Crane Fruehauf is well-established, and the EEC.

Weapons

At the same time, larger resources have helped the big manufacturers to extend their range of services to industry. Indeed, this has been one of the most important weapons of survival, involving a gradual diversification into leasing and rental business, service and spare parts, and overseas sales.

For example, on the overseas side Crane Fruehauf has done a great deal within only the last two years to establish an

exporting organisation designed to maintain continuing interest in important markets like Iran. The results speak for themselves, with overseas sales of £1.2m. in 1975, £2.9m. in 1976, £4.7m. in 1977, and £7.8m. last year.

York, too, has been aggressive in its approach to exporting, and, unlike Crane and Cravens Homalloy, which are stronger outside Europe, has built up substantial business within the EEC itself, particularly in the export of components and sub-assemblies.

Last year, on total sales of £17m., it exported £7.8m. worth of goods, 46 per cent. of total as against 25 per cent. in Crane's case, and a vast jump also on last year when overseas sales were worth £4.5m.

Part of York's strength is the emphasis it has placed on component manufacturing. In export markets this means, of course, that it reaps more benefit out of the "knock-down" kit sales that are becoming

the most familiar form of trading in developing countries intent on establishing their own assembly plants. The parts that York sends overseas in this kind of deal are the high value-added pieces like axles, suspensions and couplings which most other manufacturers tend to buy-in.

Indeed, the main axle supplier to the U.K. trailer industry—Rubery Owen-Rock, which are industry—has well—has found an increasing scope in export markets itself, and has been rapidly building up its own distribution system overseas.

Leasing and contract hire has, similarly, been another means of extending the range of the trailer manufacturers' activities and earnings in recent years. Along with better financing facilities, these services have probably stimulated the market and helped to iron out some of the troughs. Clearly, they failed to do either of these things last year, although some manufacturers claim that leasing and hire was the most buoyant of this is that the user rents

sector of their business. The problem last year was that the general decline in the haulage business had led to the wide spread laying up of the private leasing fleets, leaving little scope for further sales to them, and making leasing business difficult to obtain.

The main service offered by the manufacturers is the hire of a trailer, or fleet of trailers, which under the contract hire system, can carry the users' own livery. In effect, all the running of the vehicles, including service is done by the contract hire concern. Clearly, at a time of rapid inflation, one of the main attractions of such schemes is the avoidance of large capital outlays, which accounts for its success over the last few years.

Another method of cushioning capital requirements for customers is the so-called ROP—Rental with Option to Purchase—scheme which has had some success recently. The idea of this is that the user rents

New from Crane Fruehauf

Crane Fruehauf Trailers Ltd.,
Toftwood Division, (Marketing Services Dept)
Dereham, Norfolk. Tel: Dereham 3331 Telex 97251

مكثان من الأشهر

TRAILERS III

Industry adapts to modern needs

Easy to forget the rapidity with which changes have overtaken the road haulage industry in the last decade. During this period it has continued to expand rapidly to accommodate the shift of goods traffic from railways to the roads. But at the same time it has grown into a highly competitive industry, with many trucks going in increasing numbers to the Continent. Continental trucks crossing the Channel in the opposite direction. All this has meant challenges and opportunities for the manufacturers, who now face with the added weight of even longer trucking journeys being undertaken by operators both to the East and Africa.

Difference

The main historic difference between the U.K. and Continental markets lies in the widespread use of full, four-wheelers across the Channel. In the U.K., the industry is almost entirely concerned with semi-trailers—units which fit to the chassis of a "tractor" cab in articulated configuration—largely because this was the vehicle forced upon operators by legislation. On the Continent the trailers have generally been longer total vehicle units, and have taken a more relaxed attitude to safety than the U.K.: for example, until 1971 years trucks dragging are high and hauliers need to trailers in Britain had to carry maximum loads. The road network in Eastern Europe and the historic reason that the industry had to make sure that the trailer

was safe when it was being uncoupled. No such rigid legislation was enforced in the rest of Europe, and as a consequence, Continental hauliers adopted the trailer system dragged behind a rigid vehicle.

In Britain it is unlikely that there will be any substantial change of haulage practice unless there is a dramatic change in the law, which does not appear in prospect at the moment. In some parts of the Continent, however, notably France, there has been a gradual drift towards the articulated vehicle concept, which, of course, has opened up possibilities for the British trailer producers; Germany, on the other hand, retains a very strong preference for its traditional rigid vehicle plus trailer haulage concept, and has a well-developed domestic industry to serve these needs. Despite these differences, it is still true to say that manufacturing trends in Europe are converging, with companies beginning to establish themselves on an international basis: component producers like the U.K.-based Rubery Owen-Rockwell, for instance, which makes axles, brakes and suspensions, are setting up service establishments throughout Europe.

It is clearly going to take some considerable period for the EEC to harmonise legislation on vehicle weights, which remains the great current stumbling block to further rationalisation in the European industry. In the meantime, however, there is considerable pressure to make vehicles and trailers as light as possible in order to accommodate larger loads, and this has been particularly the case in the U.K., where weight restrictions are the most restrictive in Europe: hence British manufacturers have inevitably developed trailers with a good weight to strength relationship.

This has been particularly helpful on the new haulage routes opening up to the Middle East and Africa where expenses are high and hauliers need to carry maximum loads. The road network in Eastern Europe and the historic reason that the industry had to make sure that the trailer

down to the Gulf States demands extremely robust equipment.

Reduction of weight is one of the main factors behind the increasing use of aluminium in the box van-type trucks which have been gradually expanding their grip on the market. These completely enclosed structures have gained popularity because they make the loading of loose goods simpler than on a straightforward platform trailer, which is open to the sides, and, probably more important, because they guarantee greater security against theft. Aluminium, riveted together from large sheets, is a lighter and more rigid material than steel for these kind of trailers, and adapts well to the "monocoque" type of construction now used for cars which does away with the basic chassis assembly.

Containers

Aluminium is also used a little in container manufacturing, which has been taken on by most of the larger trailer producers. Containers, indeed, which are one of the most significant innovations to have affected the industry in the last decade, now account for a great deal of business. In fact, last year container sales held up much better than production, using the 20 feet "equivalent" measure, at 14,200 against 13,985 the year before—providing a helpful cushion to manufacturers who had diversified into this sector. The industry has been quite successful in exporting containers, York, for example, selling several 40 feet containers to the Russians.

Some of the most productive growth in recent years, however, has been in the development of special vehicles to carry perishable and toxic loads. Crane Fruehauf, for example, has been highly successful in exporting its refrigerated trailer systems to Eastern Europe, where the Hungarian concern, Hungarocamion, has bought a fleet of trailers, for example, reduced its rental fleet from 600 units to a mere 100, but plans to build

another haulage company in Lancashire which uses similar vehicles to send cream cakes to the Middle East as well. These are bizarre examples, but clearly the development of refrigeration techniques and the growth of the deep freeze market for a variety of products across Europe, has made this a buoyant sector.

A great deal of work has also

gone recently into developing vehicle carrying tar or acids that are only half full, it corrodes mild steel.

The conditions under which

trailers operate will inevitably

continue to change in Europe

as EEC regulations are har-

monised, and transport to

present level. Vehicles may well

get larger; they will certainly

need to become more durable

because if carried in vehicles

to answer the need for longer

operating distances, and they

will become more sophisticated

in order to ease loading and

unloading and to make the

transport of dangerous loads

even safer. At the same time

they will get improved braking

systems, and easier coupling

methods to help the driver.

There is clearly plenty of work

to be done by the designers.

Terry Dodsworth

Rental can aid efficiency

OF ALL industries, transport is perhaps one of the most sensitive to the level of industrial production. For that reason operators of large fleets have come to rely on flexibility to avoid being trapped with either too much or too little capacity.

Economic conditions over the past two years have been difficult enough to illustrate the point and there have been storage areas all over the country where idle trailers have awaited some kind of improvement in the overall economy.

Many companies, which prior to the recession committed themselves to acquiring trailers and related equipment in any quantity, have suffered from high interest rates and cash-flow problems which have not yet eased. Those which opted for rental, often companies with comparatively high turnover and little in the way of assets, have been able to reduce their fleets in accordance with the volume of business available.

The rental and leasing companies, often linked to or part of major trailer manufacturers, also suffered during the early stages of the downturn and in the case of rentals hundreds of trailers were returned. York Trailer, for example, reduced its rental fleet from 600 units to a mere 100, but plans to build

this up again in anticipation of a return to normal conditions during 1977. However, the industry remains cautious about how swiftly business will pick up.

Nevertheless, rented units remain a comparatively small part of the overall number of trailers in use and although few figures are available, the recent estimate of 5 per cent. of the total could well have declined during the recessionary period.

Another recent development is rental with the option of purchase, giving still more flexibility. It is possible now to get an option to buy at any time six months after rental, at the original trailer price less two thirds of all the rental paid. On the leasing side, a five-year commitment is the norm and is popular with larger companies which may also run a fleet of rented trailers.

Leasing

Tax advantages of leasing are also a consideration for companies with large turnovers, and an increasing number of financial organisations are turning their hand to this kind of work. On the export side leasing remains popular and has wide co-operation from the Export Credits Guarantee Depart-

ment. The policies of various rental companies have differed considerably during the recession, with York Trailer opting to reduce their rental fleet and consequently reduce interest rates on borrowings. Crane Fruehauf, on the other hand has maintained its fleet to a larger extent and is now increasing it, and has expanded its finance activities in the belief that the rental and leasing trend is on the increase.

It also reports an increasing interest in contract hire, usually over a period of three to five years. It is pointed out that contract hire, under which the company undertakes to provide a trailer, sometimes in whatever quantity is required, and maintain it fully over the period, gives an important fixed cost advantage.

At a time when inflation continues to make budgeting extremely difficult, contract hire provides companies with a fixed cost and eliminates worries over maintenance costs and items such as tyre replacements.

Crane Fruehauf admits that a growth of rental at the expense of leasing, although both markets as a whole will probably increase in the coming years. As some leaders in the industry try to believe, the economy is such as chain stores. These hauliers have been the first to activities, and it remains to be

suffer and larger fleets are believed to have gone to rentals to adjust where necessary.

The comparatively high level of sales to independent rental companies tends to bear this out and a slight upturn in overall volume of business is helping to boost these sales.

Although the general advantages of rental are by now fairly widely recognised, it is clear that the application has not been fully exploited, particularly in relation to seasonal adjustment of fleet sizes and mix, which often requires a great deal of fine tuning to minimise wasted time. In a period when every penny can count, this is extremely important.

Untimely

This also applies to unexpected situations, such as sudden orders which must be met at short notice, or untimely breakdowns of vehicles. But one effect of this kind of very short-term usage could be a growth of rental at the expense of leasing, although both markets as a whole will probably increase in the coming years.

As some leaders in the industry try to believe, the economy is such as chain stores. These hauliers have been the first to activities, and it remains to be

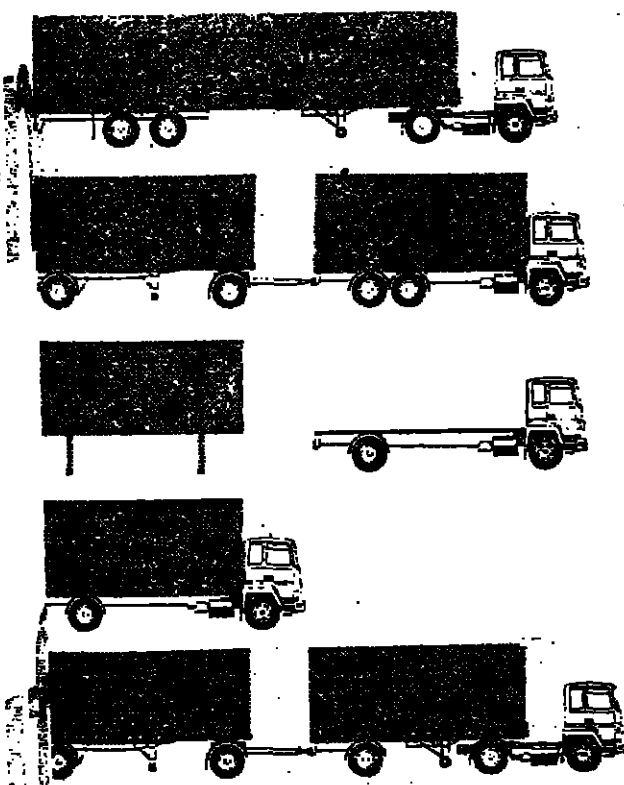
seen whether the recent uncertainty and lack of liquidity has been the major factor in the move to rental. If this is true, then a period of economic stability could mean a move back to more traditional methods of trailer acquisition.

With the downward trend in interest rates now apparently at an end, at least for the time being, hauliers are not likely to embark on widespread buying of trailers, but in the longer term the balance of comparative costs between rental, contract hire, leasing and outright purchase will probably be the stabilising factor.

Although rental and leasing companies are mainly attached to manufacturers, the sector remains fragmented apart from a few dominant operators. These include Crane Fruehauf which has Renco operating in the rental and contract hire field, York Trailer, Taskers and Transport International Pool, which has a wide network of European branches and offers an extensive range of trailers.

The increasing variety of terms, which these and other companies offer, makes an important contribution to the U.K. road transport industry and will certainly contribute to greater efficiency which is being sought in both small and large fleets.

Lorne Baring

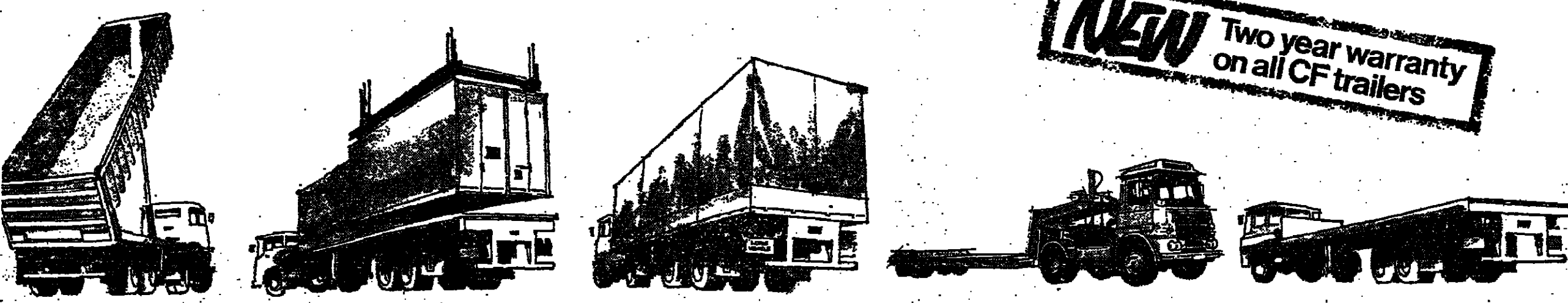


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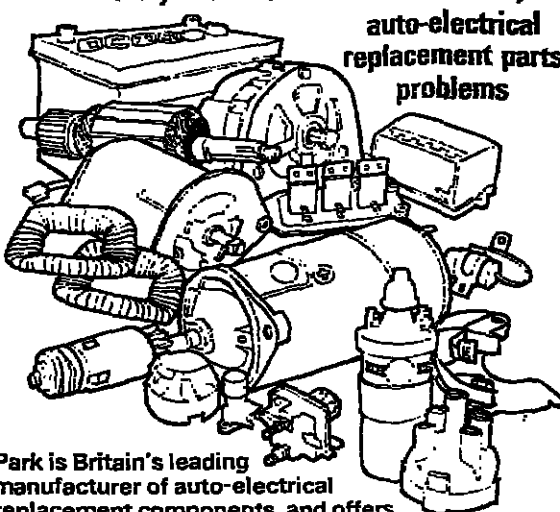
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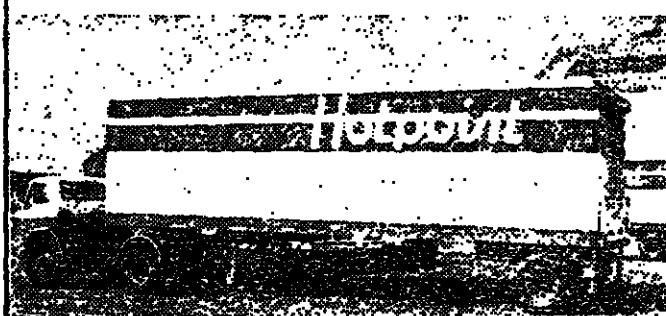


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TRAILERS IV

Designers remain busy

SO MUCH development has gone into trailer design over the last decade that it is tempting to believe there is nothing more to be done. But in fact new concepts, and refinements of old ones, keep appearing, and with these different ideas trailers have gradually altered their shape, appearance and performance compared with their predecessors on the road. This process is continuing, spurred on partly by new legislation, partly by the growing integration of European transport, and partly by the changing needs of the haulage industry itself.

Perhaps the most persistent pressure of all over the last few years has been the need to reduce weight in the trailer, a particularly pressing demand in the U.K. where lower vehicle weights than is general in Europe are enforced. Because of the British regulations, hauliers have been extremely sensitive to the weight issue, with the result that British designs generally have a better strength to weight ratio than their Continental equivalents.

This factor also accounts for the trend towards aluminium manufacturing for the so-called box van constructions, because although more expensive than steel, aluminium is lighter and more rigid in this kind of application, and can be built with monocoque construction methods. A secondary factor in using lighter materials is, of course, that the trailer then requires less power to pull it. Inevitably, this has become a more important issue over the last two years as the effect of escalating oil prices have sunk in, and it will become even more important now that diesel fuel has become more expensive through changes in the tax system.

One company, York Trailer, has made two developments specifically aimed at reducing fuel consumption. The first is its aerofoil system designed to cut down the very high wind resistance caused by a large trailer. The aerofoil is a simple piece of contoured plastic fitted to the front of the trailer in order to round off the sharp corners and give the front end a more aerodynamic profile. The idea is very straightforward, but scarcely examined before. After extensive running experiments in several companies carrying different types of material, York claims savings of between 9 and 18 per cent on fuel a significant economy for vehicles that often do no more than seven miles to the gallon.

York's latest idea is more ingenious. This is the so-called Hobo system designed to reduce trailer wheel drag. The idea originated from the conviction that trailers do not need the full use of their two rear axles all the time. Although necessary to carry full loads, the two axles—and particularly the eight wheels which run on them—cause a great deal of drag, and hence fuel wastage, when vehicles are part-loaded or unloaded. York's research claims to show that 20-ton tandem axle trailers are fully loaded only 55 per cent of running time, and during the other 45 per cent are unloaded. 25 per cent of the time. During the other 20 per cent, they are often running at loads which do not require the two axles. Hence

the York solution—a system whereby one of the axles can be hoisted up, and the wheels lifted out of contact with the ground. This, the company claims, can give a saving of roughly 4 per cent, a year on fuel—or about £200 on average use.

During the last few years there has also been a gradual trend away from the basic flatbed trailers in favour of box van-type products and the TIR (Transportation International Routiers) tilt trailers. Box vans, enclosed structures in steel or aluminium usually opening to the rear, have been popular for many years in the U.S., and are making an increasing impact in Europe partly because they are easier to load, and partly because they offer more security from theft than open trailers; they also do away with the laborious business of sheeting and roping down which many drivers carrying loose loads used to be faced with.

One method of making the loading of these trailers easier is a design which allows one side of the van to be removed and replaced by tough tarpaulin sheeting. Another variation on this idea designed by Lawrence David, of Crowland, is a curtain-sided construction that uses gridded gates to prevent any

side movement of the loads. The gates hinge on pillars, and can be swung inwards to partition a load if need be, and both the gates and the pillars can be easily removed. Once loaded, with the gates in place, the tarpaulin cover is pulled over to give complete weather protection.

Trend

The trend towards tilt trailers derives mainly from Continental practice, where the "tilt" method of covering loads with a skeleton structure of bars over which a canvas hood is fitted, was developed. The tilt method also provides for custom security checks, since the rope securing the base of the canvas can be sealed off, and partly because of this it has become the most popular unit for TIR road haulage. Most hauliers and manufacturers believe that the tilt will continue to take business from simple flat platform trailers, and, significantly, this has been one of the more buoyant sectors of the market during last year's recession.

The switch over to container methods for long distance sea and land transport has also provided a new market for the

trailer industry over the last decade. Trailer manufacturers have become involved in both sectors of the industry, both making the container units themselves, and building the skeletal trailers—a basic chassis construction with no fixed platform—to which the containers are coupled.

Another new idea is the Crane Fruehauf "doubles" unit, which is a response both to the easing of legislation on trailer use in the U.K. and the demand for more environmentally acceptable vehicles in urban centres. The doubles unit is made up of two small semi-trailers coupled together with the second unit fixed at the front on a removable "dolly" axle. The idea is that this load can be pulled by a large tractor unit on the motorway. But the unit is stopped and uncoupled outside the town where the delivery needs to be made. This leaves the tractor unit free to go off and fetch another load, while the small semi-trailers are then hitched up separately to smaller tractors for the final delivery.

Ideas like this may or may not prove to have a practical future, but they at least show that there is still a great deal of vitality in the design depart-

ments of the trailer companies. The best illustration of this is the fact that this year the Design Council has awarded three of its five British Motor Vehicle Awards to the trailer industry.

One of these has gone to Boalloy, of Congleton, for a flexible, curtain sided trailer designed for ease of loading and unloading; under this system trailers are loaded from the sides, which is much quicker than through a single access door to the rear, and the load secured simply by drawing the curtains tight along the sides. The Design Council says that tests have proved that an articulated Tautliner trailer can be braked and turned at 60 mph without losing its unroped 20-ton load of loose canisters, crates and cans.

Aluminium

The second product chosen by the Design Council is the Ultralite Tipper body manufactured by Neville, Industries of Mansfield. This uses aluminium rather than steel in construction, and has done away with the hooped body construction familiar in traditional tippers by a new kind of stress design which is claimed to make it

much stronger for its weight. Tests indicate that, although three times as expensive to make than an equivalent steel body, it will last for five times as long.

Thirdly, the Design Council praises a low-loader device developed by Taskers, one of the companies in the Gravens Homalloy group, specifically for one-man handling. Loading heavy plant and construction equipment is notoriously difficult, and to be done with any degree of speed usually depends on a group of men to arrange sleeper tracks and direct the drivers. The Taskers' system, however, allows the low loader driver to disconnect the trailer platform and lower it hydraulically to the ground; the platform is then loaded or unloaded, coupled up again and driven off—the whole manoeuvre taking as little as seven minutes, according to the Design Council.

These developments show that there remains considerable scope for improvements in trailer design. They indicate, indeed, that there are still plenty of areas where vehicles can get lighter, and yet be made stronger, tougher and easier to use, by the application of rigorous design concepts.

Terry Dodsworth

Sticking to the rules

THE regulations regarding drivers' records differ even more significantly. In the U.K. drivers of vehicles exceeding 3½ tons gross plated weight must keep a duplicate record of their hours of duty, driving and rest, and they must carry their record books when driving. The records must be kept in either the "British" style record book which has been in use since 1970 and must cover at least 14 days, or the "International" book which is in general use on the Continent and covers no specific time.

So far no major difference in attitude is apparent, but it has been proposed by the EEC that tachographs should be installed in new vehicles from January 1, 1978, and in all vehicles from January 1, 1978. The tachograph, which has been described by its opponents as "the spy in the cab," has been designed automatically or semi-automatically to record the distance travelled by the vehicle, the

speed of the vehicle, driving time, other periods of work or the availability for work of the crew members, breaks in the work and daily rest periods, and the opening of the case containing the record sheet.

Unpopular

It is easy to see why the EEC rules are unpopular with U.K. operators and drivers. But it might be strongly argued that rigorous rules can only improve safety. However, the U.K. road haulage industry refutes this suggestion. First, the industry claims that existing U.K. rules are sufficient to ensure a high level of safety. Second, it is argued that EEC regulations will be so difficult to implement that their effectiveness will be lessened. Moreover, it is well known that the road haulage operators within the EEC, who have been abiding by these regulations since their introduction at the beginning of 1975, have

themselves complained about the furor which has blown up around "juggernauts," those massive vehicles which draw several trailers. At the moment of the introduction of these rules until mid-1976, but the EEC has recently presented another adjusted set of rules for the scrutiny of its new members. These appear to be more satisfactory to the U.K. industry than the original set and the deferment looks like being extended until the end of 1978 at least. The U.K. operators, including the FTA, feel that local rules are not only adequate, but suggest that there is evidence that the regulations on noise and pollution are actually superior to those overseas.

There are areas of EEC road transport legislation which U.K. operators would be glad to adopt as soon as possible, however, and these are particularly relevant to operators of vehicles which draw trailers. Few people living within the U.K. in the past two years can have missed

the arguments of environmentalists who fear that gigantic vehicles will be forever blocking British roads. The Government has been reluctant to adjust to the European limits. However, what is not generally known is that many of the vehicles operated within the U.K. were constructed according to the EEC's own weight limits. All this would happen if the limits were raised would be that the vehicles could carry the loads they were designed for. It could even be said that this might reduce the number of large vehicles on British roads rather than increase it.

Tom Kyt

Specialists learn to survive

IN THE SHADOW of the small group of two or three major trailer manufacturers, the more specialised makers list three major reasons for their survival in a market that has suffered two of the worst years on record. The majority are no longer independent concerns, but make up a small part of larger conglomerates in both British and foreign ownership. Without the protection afforded by the parent companies some of the producers feel that they might not have coped with the recession.

But it has been anything but passive survival. Most have exported their way out of the crisis, often finding that the proportion of products going overseas has doubled and occasionally tripled. And costs have been pared down to a minimum, resulting often in many redundancies, with the workforces being reduced by a third or a half from the 1974 levels.

Most specialist manufacturers also serve the straightforward platform trailer section of the market—the "bread and butter" part of their business, but in the past two years they have counted themselves lucky to be involved in both specialist and regular work. For as the competition for the dwindling number of platform trailers grew ever more fierce, a fight led by the big battalions, manufacturers found that the specialist sector of the business proved to be more stable.

Mr. Tony Coppen, managing director of Scammell Trailers—part of the profitable Special Products Group of British Leyland—says: "It's no secret that the trailer industry has been in the doldrums for the past couple of years. The companies who were involved in both the specialist and regular trailer markets could count themselves lucky, because during the market de-

pression it was the specialist in kit form for assembly in Africa. With an annual turnover of some £3m, M and G claims to be "bigger than most people realise, though we have no desire to take on Fruehauf." After being in a loss-making position for much of last year, the upturn in business at the start of the year brought it back to profitability.

M and G found some salvation in drastically reducing its workforce, which from the high point of employing some 120 in 1974, fell to 70 at the depth of the recession in January and February last year. With the upturn in the market the workforce has again been expanded to just over 100, and the company now confesses to having some difficulties in finding the right calibre of employee.

The company counted itself lucky that when the depression came it was not sitting with inflated stocks. Some trailer producers were stranded with abnormally high stock levels—one or two even inflated their requirements with suppliers—with the result that they are now selling off stock at very low prices or are still dealing with stock that is two years old. Mr. Field is very keen that type approval legislation should

be introduced into Britain as soon as possible to protect the reputable manufacturers from the "fly-by-night" operators among the small producers. A directive is now being prepared by the EEC Commission that would make manufacturers produce to particular specifications, and this will clearly have great implications for the specialists as they see the export sector of their business expanding. Type approval has already been gained by M and G, for instance, in Holland and Switzerland.

Legislation

France and Holland will make type approval legislation operative from October 1 this year, but there have been some delays with setting dates for implementation in Britain, Germany and Belgium. One of the country's major specialists in the refrigeration side of the business, Freight Bonallock of Norwich and Wakefield, also weathered the storm with a combination of reduced work force and increased concentration on exports, but it found the market picking up again in the middle of last year. Voluntary redundancies involving about 50 employees helped when the market shrank dramatically.

CONTINUED ON NEXT PAGE

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TRAILERS V

Structure reflects efficient production

U.K. trailer making industry consists of some 55 producers, about 25 of which use large trailers and semi-trailers, such as platforms and flatbeds, suitable for use with unit and heavy lorries. Of 25 firms, three account for 80 per cent of the market.

The demand for semi-trailers for use with motive power has increased significantly since 1964, when revisions to the regulations allowed articulated trailers to be used at 32 ton weight compared with 26 for rigid. Before 1964 the limits of trailer operation based upon the possibility of water utilisation of expensive units, subsequently had a clear payload advantage which led to a boom in demand. Recently 30 ton rigid trailers have been authorised for the interim period but the article demonstrates its impact and flexibility to such effect that a strong and growing demand was assured.

VOLE

1968 regulations were not to allow the carriage of containers on British roads, which required the use of a further move of the trailer makers' legislation applying to bar trailers. However, the weight limit has tended to strain the advantages of road trains: in 1974 only 1,000 large trailers for 10 tons plus were made, and with perhaps 10 times as many semi-trailers, the structure and structural

changes within the industry are not independent of the size of the total market, a market which has displayed considerable growth since 1964 and a resilience during the difficult trading conditions of the last few years.

In 1966 three firms—York, Boden, and Crane Fruehauf—shared 50 per cent of the market. In 1968 Crane Fruehauf purchased Boden to become a clear market leader, and reinforced this by taking over the U.K. marketing of Highway and Multiwheel trailer. By 1975 the company held 50 per cent of the market for trailers compared with a fifth held by second-placed York. U.S. trailer makers have long had experience in making large trailers in considerable volume and this expertise is utilised in the U.K. For instance, both Crane and York have transatlantic links. Crane trailers of Norfolk concluded an agreement in 1961 with Fruehauf, a U.S. concern producing 30 per cent of the western world's trailers, giving the latter a one-third equity stake in Crane Fruehauf; York is 75 per cent owned by a Toronto parent company.

Involvement

British Leyland's involvement in trailer making stems from its Scammell Trailers subsidiary, now sited in a new East Midlands factory organisation, separated from its historical home at Scammell Lorrys, Watford. Scammell was a well established trailer maker, being Europe's largest in the 1930s, mainly due to winning contracts to supply the railways with mechanical horses. Before 1964 Scammell, by its dominance of the medium sized trailer market, was the largest producer in a limited market of some 8,000 trailers a year. The demand for heavier trailers saw Scammell overtaken by other firms, but the creation of Scammell Trailers in 1974, as a separate BL subsidiary, has seen the company make a determined bid to gain more of the market. In 1975 Scammell was probably the fourth largest maker behind John Brown's Tasker-Cravens Homalloy concern which had 10 per cent penetration. Tasker's also manufacture U.S. Freightmaster vans under licence, and the U.S. involvement in the

U.K. industry was further strengthened in 1974 when Peak Trailers, which had 5 per cent of the market, was purchased by Trailer SA a French subsidiary of the U.S. Pullman Corporation.

With five concerns holding about 90 per cent of the market the remaining 20 or so firms interested in the heavy haulage sector are obviously of a much smaller scale in terms of output. However, by concentrating on a specialised niche in the already specialised trailer market, some firms are able to achieve efficient output volumes by dominating particular sub-markets. Alcan's Freight Banalack dominates the U.K. refrigerated van sector with 50 per cent penetration; Dyson and King lead, and largely confine their activities to the specialised market for ultra-heavy trailers of up to 200 tons gross. Nevertheless, firms such as Merriworth and M. and G. are able to compete with much larger firms in the main freight carriage markets, while others such as Currimore, Moffitt and Neville prosper in specialised markets for car transporters, bulk carriers and tippers. The trailer industry has clear market leaders, but there are a whole host of smaller firms to insure a highly competitive industry. Size is not a sufficient condition for prosperity as the financial collapse in 1974 of France's leading trailer maker, Titan, illustrated.

Competition between trailer makers is intense with rather small profit margins, illustrating the failure of the dominant firms to impose price leadership.

Consequently, profitable production depends upon either a large turnover or low overheads to spread fixed costs. As a result the trailer industry has tended to polarise itself around two types of producer: those which are large in relation to the market, and the very small operations. The vulnerable firms are those with between 2 per cent and 8 per cent of the market, producing significantly less than the market leaders but having invested more heavily than the very small firms in capital intensive methods which may be under-utilised because of a demand constraint.

Consequently, because of competition and the ease of entry, firms continually leave and enter the industry: perhaps 15 firms have ceased trailer making since 1970 to be partly replaced by half a dozen new entrants; of the 150 container manufacturers registered in 1966 only a dozen substantial firms remained in 1975. The squeeze on the medium and small sized firms is summarised by Crane Fruehauf's and York's combined market share of 50 per cent in 1966 increasing to 70 per cent by 1975: quite significant firms such as Thompson left the industry and others forced new links.

The survival of so many firms and the continuing ease of entry is due to the nature of the product and the absence of really significant scale economies, except at very high outputs of standardised units. Unlike the lorry maker's need for expensive capital equipment to make power trains, the

trailer maker produces a relatively simple product. Trailer SA's expenditure of £200,000 to purchase the assets of Peak, was sufficient to enter the trailer market—in contrast, in 1974 Foden spent £5m on a new truck assembly hall. The nature of the product and the availability of bought-out components obviate the need for large capital expenditures.

Value

The running gear—axles, wheels, suspension—account for 80 per cent by value of a trailer and these items are normally bought-out. Almost all axles are made by Rubery Owen, although York is self-sufficient and Easton supply some. Wheels are made by GKN and Rubery Owen; air suspensions by North Derbyshire Engineering, Hands Neway and Metalastik. The highly competitive nature of trailer making was highlighted at the beginning of the present decade when York established its own axle making capacity after Rubery Owen introduced its own trailers. Evidently, York was not prepared to buy from a direct competitor, although other trailer makers buy axles from them. Only York, and to a lesser extent Scammell and Crane Fruehauf, are vertically integrated to any extent: making their own chassis when other producers buy fabricated sections from Dorman Long or Rubery Owen. The smaller firms buy out economic reality and buy out, often from Rubery Owen whose importance to the trailer industry is noteworthy.

The growth in trailer demand between 1964 and 1975 induced firms such as Crane and Scammell to expand capacity and others to enter the industry. The small capital amounts needed, the availability of outside suppliers, the existence of many non-franchise trailer dealers and the basic simplicity of the product—reducing the impact of know-how as an entry barrier—meant that no substantial barriers to entry existed. However, it may become more difficult for the industry to continue to support the same number of firms as at present. The need to keep costs and prices down has induced both the vehicle operator and the trailer maker to accept greater standardisation. This has allowed some firms to introduce flow lines, which has put pressure on firms trying to compete in making standardised products by bespoke methods. The more

SALES OF SEMI-TRAILERS

| | Export | Home | Total |
|------|--------|--------|--------|
| 1963 | 671 | 8,376 | 9,047 |
| 1964 | 865 | 11,436 | 12,301 |
| 1965 | 1,225 | 24,093 | 25,318 |
| 1973 | 2,820 | 19,117 | 21,937 |
| 1974 | — | — | 20,843 |

standardised the market products could have marketing advantages.

Over the period 1964-73 the export percentage for semi-trailers remained around 5 per cent, although that for trailers was over 30 per cent. Since 1973 continental demand for U.K. trailers has increased substantially, but even so the export percentage for semi-trailers in 1975 was provisionally put at under 15 per cent. With Crane Fruehauf excluded from the EEC, York accounts for 50 per cent of total exports; Merriworth's exports in 1975 were about 26 per cent of output compared with 21 per cent in 1974; Dyson exported 80 per cent of output, but by following a risk spreading policy only 7 per cent was destined for Europe. Tasker's combine production and marketing economies by shipping standardised chassis overseas for local specialised bodies to be fitted. The establishment of plants or licensing arrangements within the EEC is another aspect of the trailer industry's sales drive. The trailer makers have been quicker of the mark than the heavy truck makers in availing themselves of the new marketing opportunities in Europe. In turn this has given opportunities to the component makers in establishing spares and service facilities and in selling original equipment to continental trailer makers.

The U.K. trailer industry has a structure which reflects efficient production: either due to large-scale output or to the purchase of low-cost bought-out parts. Consequently a large number of firms of widely differing size are able to prosper and to give the customer a competitive choice. Competition has led to product improvement, keen prices and efficient sales and service networks. In turn this has put the industry in a useful position to penetrate overseas markets with a range of tailor-made products and good back-up from component makers. The main organisational danger is the pressure from U.S. interests for U.K. affiliates to avoid certain, perhaps lucrative, markets.

D. G. Rhys

University College, Cardiff

Exports form a cushion

inevitable that the trailer reflects the swings of the truck manufacturers' trade. But in the past year the image has been more usually precise. As in the industry there has been a fall in domestic sales, and in output and decline in ; but the industry has theless been cushioned by expanding exports, particularly in the Middle East. To three or four years ago, export cushion, always a for the truck companies, were strongly orientated to overseas sales, would be available to any like the same extent for trailer producers. Their ss tended to be highly nted and localised in re — it is still comparay to set up in trailer cturing on a jobbing and competitive horizons mited. Even the larges lies that emerged through nations in the 1960s were y effectively organised orts.

the beginning of the this began to change, and year the larger manufachad put together much professional export organ. For example Crane it set up a new export tion in 1974, called Fruehauf Overseas, for purpose of substituting marketing arrangements more permanent and ed channel for overseas e company operates as pendent, self-contained n: since the manufacunits are themselves d on a separate profit asis, the export comys from them and sells ightforward profit-earn.

Fruehauf attributes its success in export last year to this new ion. The company to sell almost a quarter oducts overseas—some it of a total turnover

where it has developed particularly strong links with the Hungarians, Russians, Poles and East Germans. The kind of vehicles in which these countries are interested are the specialised trucks and trailers which their own nascent — though rapidly expanding — commercial vehicle industries are not set up to produce in any quantity.

York's exports were worth about £7.6m, last year, and accounted for almost 50 per cent of its total production last year against 25 per cent the year before. The company is unusual in the U.K. for its belief that there is considerable potential for British manufacturers in Western Europe as well. Certainly it is in a better position to try and exploit the EEC markets because, unlike Crane Fruehauf, it has no associate manufacturing companies already established there. Crane, 33 per cent owned by Fruehauf of the U.S., finds it difficult—or unnecessary—to compete very much in France or Germany where the group has other manufacturing units, often making trailers to a very similar design to the British company.

Dominant

Like Fruehauf York has a North American partner (Canadian in this case), but the British company is very much the dominant partner in the relationship and runs its own Dutch subsidiary which gives it a foothold in the EEC. This organisation acts as an overseas assembler for some of the York range, taking chassis and parts and putting them together, although it cannot do this for the "van" constructions that are York's biggest strength. In this case they have to be exported from the U.K., absorbing a hefty cost penalty on transport—at least £100 for the large, enclosed box-shaped vans—

which tends to offset the effect of the pound's devaluation. Whether this trade will continue so buoyant is an open question, since clearly any strengthening of the pound would not help this sort of business. It does not seem to make a great deal of sense to export the great boxes of air, which the van trailers are, across what is said to be the most expensive stretch of water in Europe to cross.

On the other hand, the British industry believes it has a certain technological lead on the rest of Europe which should stand it in good stead in trying to exploit the EEC markets. As a general principle, U.K.-made trailers are lighter than the average Continental product, mainly because the U.K. manufacturers were forced to deal with a truck market in which the gross vehicle weight allowed by legislation was much lower than in the rest of Europe: engineers were therefore forced to use lighter vehicles, while striving to get the maximum space available and maintaining the strength of the unit.

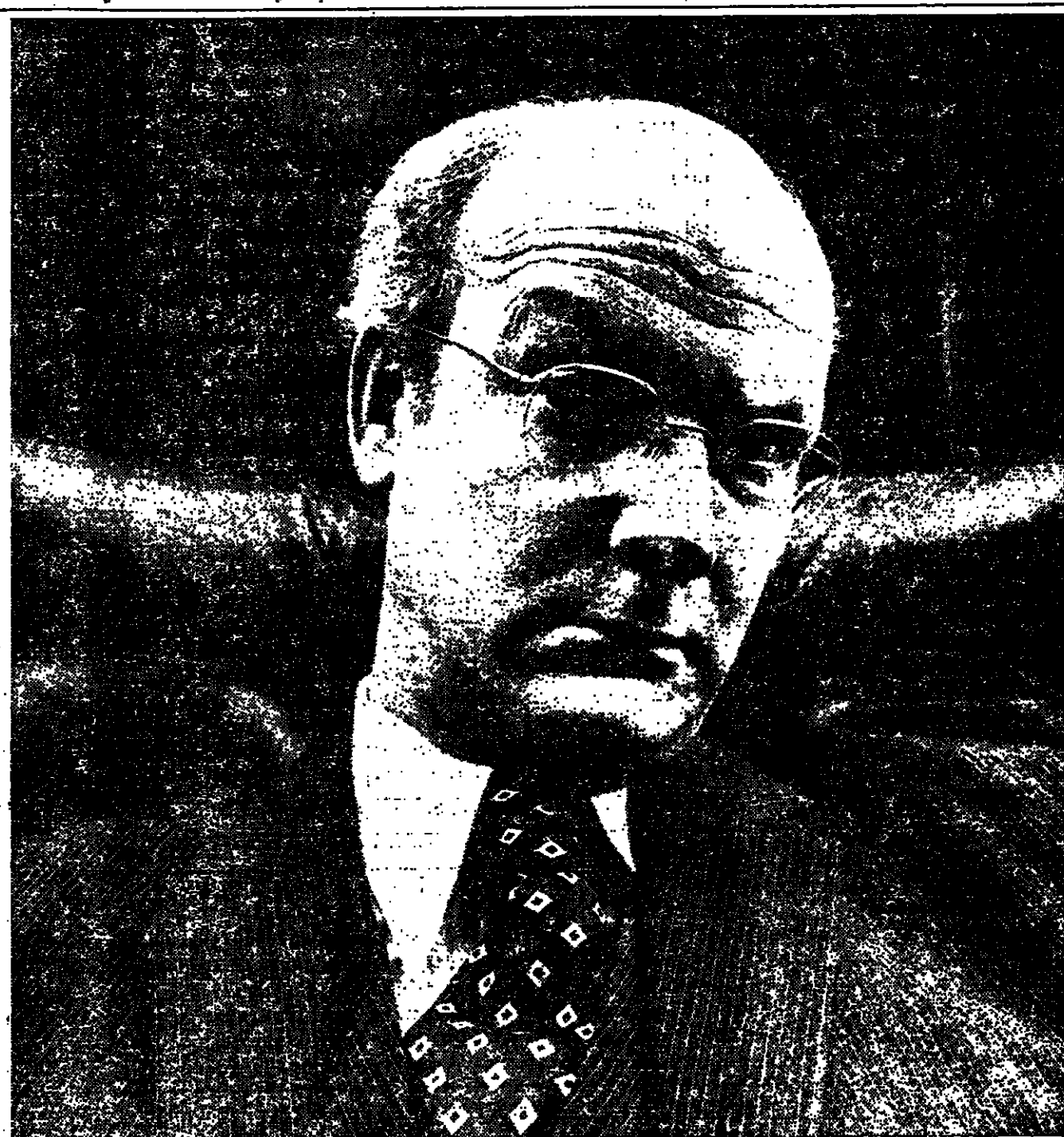
Some of the smaller trailer manufacturers, such as M and G, continue to have successes in overseas markets. So far, however, it is true to say that with the exception, perhaps, of York, the British industry still has to make a real impact on the EEC itself. The best results in the past have generally been achieved in developing countries, the Middle East, and old EFTA partners.

In many of these markets the prospects remain good. The Middle East, for example, though not expanding at the rate of a year ago, still remains buoyant, and in Eastern Europe there are considerable opportunities now that most of the Comecon countries have committed themselves to industrial development programmes in which the motor industry will be called upon to play a central role.

British prices, technological competence, and production skill also remain highly competitive. The U.K. industry has gone through a healthy rationalisation process during the last decade which has given it the ability to go for longer production runs than most of its competitors. In crisis periods, of course, this kind of capital intensive approach demands stringent controls and operating conditions: but in the rising markets... that are generally agreed to be around the corner it can also lead to healthy profits.

Terry Dodsworth

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Specialists

CONTINUED FROM PREVIOUS PAGE

per cent. But in the months the firm has been working overtime with a backlog over the next months. Expansion is being considered.

Bonallack specialises in creating semi-chassisless and refrigerated rigid it echoing the remarks tell about cutting down loading and unloading eight Bonallack also ites a lot of attention variable systems and ad up with a Dutch to expand its export s and its range of

a reciprocal licensing t the company handles mechanical system by Carrossierfabrik as well as its own system, the Load. The demountable slow one chassis and erate with more than d attachment box great increase in

productivity for both the vehicle and driver.

Being closely tied to the frozen food manufacturers, Freight Bonallack found that business was badly hit when its customers decided to slow down their replacement programmes. Mr. Bryan Thompson, the company's financial director, expounds a theory that at a time of recession the nation's eating habits are modified, bringing a reduction in the demand for sophisticated frozen foods, and subsequently a drop in demand for refrigerated transport.

Foods

This sector of the business may also be affected in the future by EEC legislation governing the transport of "chilled" foods. Currently foods which in the shops are stored in chilled conditions are often transported without any refrigeration, but Mr. Thompson

feels that the EEC Commission will tighten up this part of the business, bringing an increased demand for refrigerated trailers.

Scammell finds that, although there is a tendency, from hauliers to demand more and more sophisticated bodies on trailer chassis, the prime requirement is for trailer designs that will carry more goods and still stay within the exacting weight, height and length regulations.

Scammell has recently designed a low-height step-frame trailer to carry 14 vehicle cabs at a time, as against the previous seven, from the West Midlands to the South. The step-frame allows double-deck stacking while using a tractor unit of the same capacity. The cabs can be stored on the trailers at the destination until they are ready for unloading on to the production line. It is also putting the finishing touches to a new type of car-body transporter

trailer which will be equipped with a built-in conveyor.

It will be possible to connect this device to the conveyor belt at one of BL's factories, so that the driver will be able to feed his load on to the assembly line automatically.

During the recession Scammell depended less than most specialists on expanding its export markets, but it is now embarking on a major sales drive overseas. Mr. Tony Coppen is well aware of the potential of this previously under-exploited market. For trailers over 10 tons capacity the industry pushed up its export performance last year to £15.4m, compared with export figures of £6.3m, in 1974. The first four months of 1976 have proved even better, so it appears that the specialists will look more and more to overseas markets for expansion, taking advantage of a lesson that was harshly learned during the recession.

Kevin Done

INSURANCE, PROPERTY, BONDS

INTERIM STATEMENT:

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| James Mackay, Ltd., 112-5 | 1.00 | Prices do not include S. premium |
| Valve May 21, 2nd, ending June 7, | | applicable, and are in place unless |
| Surtees & Copper Trust Mngrs. Ltd. | | shown, but the above is not |
| 101, Broad St., London, E.C.4 | 0294 29138 | for all buying orders. |
| Specialists in C. & I. 112-5 | 1.00 | include all expenses. S. Value's |
| Surtees Trust Managers Limited | | based on price prior, 8 Estimated |
| 50, Abchurch Lane, London, E.C.4 | 0424 23014 | offerings. S. Value's price |
| The Silver Trust, 197-0 | 1.00 | includes all expenses |
| TSE Trust Trust Managers (C.I.) Ltd. | | commission, 5. Offered price |
| | | Previous day's price, 8. Not for |

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expenses. a Offered price
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d Estimated. e Today's
distribution free of U.K. taxes.
Includes all expenses except
f. g Offered price includes
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h. i Net of tax on realized
indicated by j. k Government-
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MILNES—Continued

FAR WEST RAND

| FAR WEST RANGE | | | | | |
|----------------|----------------|-------|-------|-------|-------|
| 1958 | Stock | Price | % | Net | Cvt |
| 710 | Myer 25 | 950 | | 90102 | 1.3 |
| 714 | 785 Ruffels R1 | 940 | | 9113 | 1.4 |
| 716 | 95 Redback R20 | 137 | | | |
| 760 | Redwood R1 | 730 | -20 | 90116 | 1.4 |
| 766 | 930 Redwood R1 | 730 | -20 | 90116 | 1.4 |
| 788 | 160 Redwood R1 | 120 | | 90116 | 1.4 |
| 790 | 160 Redwood R1 | 120 | | 90116 | 1.4 |
| 792 | 220 Redwood R1 | 120 | -2 | 93386 | 1.0 |
| 794 | 220 Redwood R1 | 120 | -2 | 93386 | 1.0 |
| 796 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 798 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 800 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 802 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 804 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 806 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 808 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 810 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
| 812 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
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| 816 | 430 Redwood R1 | 430 | -10 | 90116 | 1.4 |
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| 118 | 612 | F. A. Schulz 50c | 130 | 22 | 1.3 |
| 200 | 57 | F. N. Sautpala NJ | 150 | 23 | 1.3 |
| 245 | 295 | Harmon 80c | 370 | 24 | 1.3 |
| 265 | 70 | Loraine Ill | 106 | 25 | 1.3 |
| 285 | 950 | Pres. Brand 50c | 112 | 26 | 1.3 |
| 313 | 700 | Pres. Steyn 50c | 720 | 27 | 1.3 |
| 323 | 112 | St. Helena RI | 134 | 28 | 1.3 |
| 344 | 8c | T. M. L. | 112 | 29 | 1.3 |
| 350 | 220 | William 70c | 255 | 30 | 1.3 |
| 374 | 14 | W. Holman 50c | 116 | 31 | 1.3 |

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| U. S. Iron Mts. | 285 |

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| 257 | 118.0 | Am. and Gold M. | 254 | 117.4 | 117.4 |
| 258 | 118.0 | Am. and Gold M. | 255 | 117.4 | 117.4 |
| 259 | 118.0 | Am. and Gold M. | 256 | 117.4 | 117.4 |
| 260 | 118.0 | Am. and Gold M. | 257 | 117.4 | 117.4 |
| 261 | 118.0 | Am. and Gold M. | 258 | 117.4 | 117.4 |
| 262 | 118.0 | Am. and Gold M. | 259 | 117.4 | 117.4 |
| 263 | 118.0 | Am. and Gold M. | 260 | 117.4 | 117.4 |
| 264 | 118.0 | Am. and Gold M. | 261 | 117.4 | 117.4 |
| 265 | 118.0 | Am. and Gold M. | 262 | 117.4 | 117.4 |
| 266 | 118.0 | Am. and Gold M. | 263 | 117.4 | 117.4 |
| 267 | 118.0 | Am. and Gold M. | 264 | 117.4 | 117.4 |
| 268 | 118.0 | Am. and Gold M. | 265 | 117.4 | 117.4 |
| 269 | 118.0 | Am. and Gold M. | 266 | 117.4 | 117.4 |
| 270 | 118.0 | Am. and Gold M. | 267 | 117.4 | 117.4 |
| 271 | 118.0 | Am. and Gold M. | 268 | 117.4 | 117.4 |
| 272 | 118.0 | Am. and Gold M. | 269 | 117.4 | 117.4 |
| 273 | 118.0 | Am. and Gold M. | 270 | 117.4 | 117.4 |
| 274 | 118.0 | Am. and Gold M. | 271 | 117.4 | 117.4 |
| 275 | 118.0 | Am. and Gold M. | 272 | 117.4 | 117.4 |
| 276 | 118.0 | Am. and Gold M. | 273 | 117.4 | 117.4 |
| 277 | 118.0 | Am. and Gold M. | 274 | 117.4 | 117.4 |
| 278 | 118.0 | Am. and Gold M. | 275 | 117.4 | 117.4 |
| 279 | 118.0 | Am. and Gold M. | 276 | 117.4 | 117.4 |
| 280 | 118.0 | Am. and Gold M. | 277 | 117.4 | 117.4 |
| 281 | 118.0 | Am. and Gold M. | 278 | 117.4 | 117.4 |
| 282 | 118.0 | Am. and Gold M. | 279 | 117.4 | 117.4 |
| 283 | 118.0 | Am. and Gold M. | 280 | 117.4 | 117.4 |
| 284 | 118.0 | Am. and Gold M. | 281 | 117.4 | 117.4 |
| 285 | 118.0 | Am. and Gold M. | 282 | 117.4 | 117.4 |
| 286 | 118.0 | Am. and Gold M. | 283 | 117.4 | 117.4 |
| 287 | 118.0 | Am. and Gold M. | 284 | 117.4 | 117.4 |
| 288 | 118.0 | Am. and Gold M. | 285 | 117.4 | 117.4 |
| 289 | 118.0 | Am. and Gold M. | 286 | 117.4 | 117.4 |
| 290 | 118.0 | Am. and Gold M. | 287 | 117.4 | 117.4 |
| 291 | 118.0 | Am. and Gold M. | 288 | 117.4 | 117.4 |
| 292 | 118.0 | Am. and Gold M. | 289 | 117.4 | 117.4 |
| 293 | 118.0 | Am. and Gold M. | 290 | 117.4 | 117.4 |
| 294 | 118.0 | Am. and Gold M. | 291 | 117.4 | 117.4 |
| 295 | 118.0 | Am. and Gold M. | 292 | 117.4 | 117.4 |
| 296 | 118.0 | Am. and Gold M. | 293 | 117.4 | 117.4 |
| 297 | 118.0 | Am. and Gold M. | 294 | 117.4 | 117.4 |
| 298 | 118.0 | Am. and Gold M. | 295 | 117.4 | 117.4 |
| 299 | 118.0 | Am. and Gold M. | 296 | 117.4 | 117.4 |
| 300 | 118.0 | Am. and Gold M. | 297 | 117.4 | 117.4 |
| 301 | 118.0 | Am. and Gold M. | 298 | 117.4 | 117.4 |
| 302 | 118.0 | Am. and Gold M. | 299 | 117.4 | 117.4 |
| 303 | 118.0 | Am. and Gold M. | 300 | 117.4 | 117.4 |
| 304 | 118.0 | Am. and Gold M. | 301 | 117.4 | 117.4 |
| 305 | 118.0 | Am. and Gold M. | 302 | 117.4 | 117.4 |
| 306 | 118.0 | Am. and Gold M. | 303 | 117.4 | 117.4 |
| 307 | 118.0 | Am. and Gold M. | 304 | 117.4 | 117.4 |
| 308 | 118.0 | Am. and Gold M. | 305 | 117.4 | 117.4 |
| 309 | 118.0 | Am. and Gold M. | 306 | 117.4 | 117.4 |
| 310 | 118.0 | Am. and Gold M. | 307 | 117.4 | 117.4 |
| 311 | 118.0 | Am. and Gold M. | 308 | 117.4 | 117.4 |
| 312 | 118.0 | Am. and Gold M. | 309 | 117.4 | 117.4 |
| 313 | 118.0 | Am. and Gold M. | 310 | 117.4 | 117.4 |
| 314 | 118.0 | Am. and Gold M. | 311 | 117.4 | 117.4 |
| 315 | 118.0 | Am. and Gold M. | 312 | 117.4 | 117.4 |
| 316 | 118.0 | Am. and Gold M. | 313 | 117.4 | 117.4 |
| 317 | 118.0 | Am. and Gold M. | 314 | 117.4 | 117.4 |
| 318 | 118.0 | Am. and Gold M. | 315 | 117.4 | 117.4 |
| 319 | 118.0 | Am. and Gold M. | 316 | 117.4 | 117.4 |
| 320 | 118.0 | Am. and Gold M. | 317 | 117.4 | 117.4 |
| 321 | 118.0 | Am. and Gold M. | 318 | 117.4 | 117.4 |
| 322 | 118.0 | Am. and Gold M. | 319 | 117.4 | 117.4 |
| 323 | 118.0 | Am. and Gold M. | 320 | 117.4 | 117.4 |
| 324 | 118.0 | Am. and Gold M. | 321 | 117.4 | 117.4 |
| 325 | 118.0 | Am. and Gold M. | 322 | 117.4 | 117.4 |
| 326 | 118.0 | Am. and Gold M. | 323 | 117.4 | 117.4 |
| 327 | 118.0 | Am. and Gold M. | 324 | 117.4 | 117.4 |
| 328 | 118.0 | Am. and Gold M. | 325 | 117.4 | 117.4 |
| 329 | 118.0 | Am. and Gold M. | 326 | 117.4 | 117.4 |
| 330 | 118.0 | Am. and Gold M. | 327 | 117.4 | 117.4 |
| 331 | 118.0 | Am. and Gold M. | 328 | 117.4 | 117.4 |
| 332 | 118.0 | Am. and Gold M. | 329 | 117.4 | 117.4 |
| 333 | 118.0 | Am. and Gold M. | 330 | 117.4 | 117.4 |
| 334 | 118.0 | Am. and Gold M. | 331 | 117.4 | 117.4 |
| 335 | 118.0 | Am. and Gold M. | 332 | 117.4 | 117.4 |
| 336 | 118.0 | Am. and Gold M. | 333 | 117.4 | 117.4 |
| 337 | 118.0 | Am. and Gold M. | 334 | 117.4 | 117.4 |
| 338 | 118.0 | Am. and Gold M. | 335 | 117.4 | 117.4 |
| 339 | 118.0 | Am. and Gold M. | 33 | | |

AMOND AND PLATE

| | | | | | |
|-----|-----|----------------------|---------|-----------|-----|
| 22 | 68 | Barrenspague Pk. 10c | 108 | 104.5c | 0 |
| 335 | 798 | De Beers 1 1/2 c | 222 | Q28c | 2.2 |
| 14 | 850 | Do 4 1/2 p. 15 | 111 | Q300c | 0 |
| 28 | 64 | 1 ydenhart 1 1/2 c | 120 1/2 | 102 1/2 c | 1.5 |
| 207 | 108 | Pt. Plank 2 1/2 c | 188 1/2 | 105 c | 1.0 |
| 63 | 90 | Union Plak 10c | 162 1/2 | 104 1/2 c | 1.0 |
| 71 | 88 | Water 1/2 5c | 171 1/2 | 105.2c | 1.0 |

CENTRAL AFRICA
 89 1-1

| | | | | | | |
|----|-----|------------------|-----|----|--------|------|
| 27 | 85 | Falcon Rn 30c | 99 | +1 | 1035c | 1.3 |
| 19 | 11 | Rhod'n Corp. 15c | 13 | 0 | 056 | 6.0 |
| 95 | 135 | Bacon Cons. K4 | 160 | -5 | 1016.0 | 4.7 |
| 75 | 142 | Tanganyika 50p | 158 | 0 | 926 | 1.2 |
| 68 | | Tha. Pref. 80p | 65 | 0 | 99 | 18.0 |
| 48 | 25 | Wambico of S.H.1 | 30 | 0 | 1041.5 | 1.3 |
| 46 | 24 | Zam. Crg. SBD.34 | 27 | -2 | 1015.4 | 3.2 |

AUSTRALIAN

| | | | | |
|-----|---------------------|-----|------|-------|
| 132 | A. M. and S. 50c | 209 | 77c | 0 |
| 156 | Poughkeepsie 50c | 143 | q10c | 0 |
| 03 | BH South 50c | 185 | + | 0 |
| 145 | St. R. Kalamazoo Sp | 30 | + | 0 |
| 752 | Hampton Area 51 | 73 | 1.18 | 42 |
| 67 | Metals Ex. 50c | 61 | -1 | - |
| 20 | Metramex 50c | 13 | - | - |
| 94 | M.I.M. Bldg. 50c | 262 | -8 | 1.00c |
| 06 | Almont 1 and 75c | 80 | + | 1.6 |
| | | | + | 2.8 |

| | | |
|------------------|-----|----|
| North B. Hall 51 | 168 | -2 |
|------------------|-----|----|

| | | | | | |
|-----|-----|--------------------|-----|-----|------|
| 88 | 5 | Nik. Kaluguri | 5 | | |
| 88 | 65 | Oakbridge Sal | 87 | -2 | 198c |
| 135 | 14 | Pacific Copper 25c | 28 | | |
| 191 | 725 | Pancon 1 1/2 | 975 | -75 | |
| 16 | 9 | Parraga M.E. 3p | 15 | | |
| 15 | 430 | Peto-Walther 50c | 560 | -20 | Q15c |
| 50 | 140 | Proseidon 20c | 250 | | |
| 13 | 9 | Valian Min. 50c | 10 | | |
| 9 | | Westmore 10c | 7 | | |

| | | |
|-----------------|-----|-------|
| Sta. Mining 50c | 176 | -1 |
| up Creek 20c | 44 | |

| TINS | | | | | |
|------|-----|-------------------|-----|--------|-----|
| 45 | 28 | Amal Vignia... | 37 | 562 | 16 |
| 48 | 160 | Ayer Hitam ... | 233 | +13 0 | 18 |
| 301 | 17 | Beralt Tin ... | 27 | 21.75 | |
| 05 | 315 | Bertantai SACS... | 385 | +03.32 | φ |
| 08 | 13 | Ex Landis 10g ... | 16 | 15 | 3.8 |
| 40 | 155 | Geerie | 215 | +12 | 23 |

| | | |
|----------------|-----|------|
| and Rose 121-p | 11 | |
| ong Comp. | 210 | .. |

| | | | | | | |
|-----|-----|-----------------|-----|--------|-----|---|
| 75 | 64 | Hongkong | 75 | — | — | — |
| 70 | 56 | Idris 10p. | 72 | 7.15 | — | — |
| 72 | 6 | Jantar 12½p. | 71 | — | — | — |
| 42 | 31 | Kamunting 15p. | 36 | 37.0 | 1.2 | — |
| 135 | 135 | Killinghall | 235 | Q50.0 | — | — |
| 75 | 168 | London Tin 20p. | 163 | 7.47 | — | — |
| 28 | 148 | Malay Dredging | 210 | 10.7 | 2.0 | — |
| 35 | 20 | At Pahang | 42 | 34h2.6 | — | — |
| 55 | 40 | Penjakalen 10p. | 43 | — | 1.5 | — |

| | | |
|------------|-----|-------|
| ...ing SMI | 117 | |
| ...t Piran | 37 | .. |
| ...t Piran | 75 | .. |

| | | | | | | |
|----|-----|-------------------|-----|----|------|-----|
| 03 | 104 | Selaru Yabun ropi | 15 | — | 2.7 | 0.9 |
| 03 | 105 | Sihm, Malaz an | 165 | — | 10.7 | — |
| 45 | 31 | Sungu, Besu 20r | 37 | — | — | — |
| 37 | 29 | Sunnei Was Sali | 32 | -1 | 2010 | — |
| 42 | 40 | Tanjong, 15p | 47 | — | 4.0 | — |
| 58 | 40 | Tonchiah Hbrs SMI | 43 | — | 2.2 | 0.6 |
| 00 | 58 | Tromoh | 85 | — | 4.29 | φ |

| | | |
|-----------------|-----|----|
| Swana RST RC... | 54 | -6 |
| Swana RST RC... | 275 | -5 |

| MISCELLANEOUS | | | | | | |
|---------------|-----|------------------|-----|------|------|-----|
| | | | | | | |
| 10 | 8 | Barna Mines 17p. | 9 | | 0.1 | ¢ |
| 992 | 23 | Charterhall 5p | 30 | | — | — |
| 55 | 580 | Cons. Nureh 10c | 830 | -40 | Q80c | 1.8 |
| 55 | 28 | Laurasia | 46 | +1 | — | — |
| 55 | 245 | Norrbote CSl | 355 | -5 | Q25c | 0.3 |
| 55 | 219 | R.T.Z. | 237 | -5 | Q22 | 2.3 |

| | | |
|-----------|-----------------------------------|--------------------------------|
| Ind. (\$) | 87 | +2 |
| Expn. \$ | £12 ¹⁰ / ₁₆ | - ¹ / ₁₆ |

NOTES

are based on latest Annual Report. are updated on half-yearly of 25 per cent. P/Es are calculated

distribution; bracketed figures indicate 10 per cent. or to difference if calculated on "all" distribution. Coovers are based on "maximum" distribution. Yields, assuming reinvestment of dividends on current rate of ACT, are based on middle price and allow for value of declared distributions and right securities with denominations other than sterling are given exclusive of the investment dollar premium.

Sterling denominated securities which include investment dollar premium.

was marked thus have been adjusted for cash.

Interim since increased or resumed
Interim since reduced, passed or deferred
Tax-free to non-residents
Figures or report awaited
Banks and Insurance: reserve allocations may preclude calculation of dividend cover
Price at time of suspension
Indicated dividend after pending scrip and/or rights issues cover relates to previous dividend or forecast
Dividend in arrears

reorganisation in progress.
etc.

Same interim: reduced cash and/or reduced earnings indicated.
Based on 1973 profits.
Cover allows for conversion of shares not now ranking dividends or ranking only for restricted dividend.
Cover does not allow for shares which may also rank dividend at a future date. No P/E ratio usually provided.
Excluding a final dividend declaration.
Regional price.
No net value

Figures based on prospectus
n/a. d Dividend rate paid of p
and on dividend on full capital

1 Flat yield. 2 Assumed dividend and yield. 3 Assumed dividend and yield after scrip issue. 4 Payments from capital sources. 5 Kenya in interim higher than previous total. 6 Rights issue pending. 7 Earnings based on preliminary figures. 8 Australian earnings. 9 Dividend per share excludes a special payment. 10 Indicated dividend; see dividend to previous dividend. P/E ratio based on latest earnings. 11 Forecast dividend; cover based on previous year earnings. 12 From 10c to 20c in the £. 13 Yield allowed for.

Dividend and yield based on special payment.

Net dividend and yield. ☐ Preference dividend passed
deferred. ☐ Canadian. ☐ Issue price. ☐ Assumed dividend
and yield after pending scrip and/or rights issue. ☐ Figures
based on prospectus or other official estimates
1966-77. ☐ Figures based on prospectus or other official
estimates for 1978. ☐ Dividend and yield based on prospectus
or other official estimates for 1978. ☐ Q Corp. ☐ Fiscal
year assumed. ☐ No significant Corporation Tax payable
on dividend and yield.

ut ex dividend; et ex scriptura

his service is available to every Company dealt in
Stock Exchanges throughout the United Kingdom at
a fee of £25 per annum for each security

—

| INDUSTRIALS—Continued | | | | | | | | | |
|-----------------------|-------------------|-------|-------|-------|-----|-----|------|----|----|
| Stock | | Price | Yld | Corr | 174 | 176 | High | | |
| | | | | | | | | | |
| 18 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 19 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 20 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 21 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 22 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 23 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 24 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 25 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 26 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 27 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 28 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 29 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 30 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 31 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 32 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 33 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 34 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 35 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 36 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 37 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 38 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 39 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 40 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 41 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 42 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 43 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 44 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 45 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 46 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 47 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 48 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 49 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 50 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 51 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 52 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 53 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 54 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 55 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 56 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 57 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 58 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 59 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 60 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 61 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 62 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 63 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 64 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 65 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 66 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 67 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 68 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 69 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 70 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 71 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 72 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 73 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 74 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 75 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 76 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 77 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 78 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 79 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 80 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 81 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 82 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 83 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 84 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 85 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 86 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 87 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 88 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 89 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 90 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 91 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 92 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 93 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 94 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 95 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 96 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 97 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 98 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 99 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |
| 100 | Aluminum Ind. 10p | 20 | 41.57 | 17.12 | 79 | 71 | 71 | 71 | 71 |

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REDIFON
COMPUTERS LIMITED

Save time... money... errors.

 KEVIN WAY CRAWLEY SUXLEY
CRAWLEY (0293) 3121

FINANCIAL TIMES

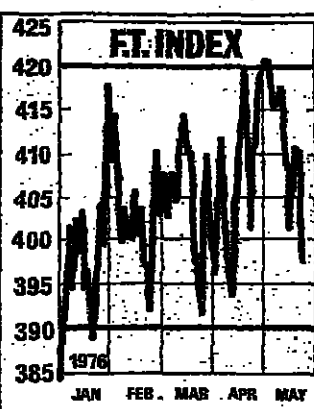
Tuesday May 25 1976

 Top quality
ventilation
Vent-Axia
the fug fighter

THE LEX COLUMN

Cavenham and the institutions

Index fell 4.2 to 397.4



Cavenham is going to win the day at this Thursday's EGM—called to approve the acquisition of the outstanding minority in Générale Alimentaire—but it is unlikely to be a glorious victory. At least three sizeable institutional shareholders have major reservations about the proposals at present, and there does not seem to be much enthusiasm in the supporters' camp: the controlling shareholders, Générale Alimentaire and Anglo-Continental, are quite rightly not voting their 39 per cent holding.

But there are no signs of the great groundswell of hostile opinion that would be necessary to defeat proposals of this importance. And there are still two days to go. A meeting has been arranged to-day by a firm of brokers between the management and half-a-dozen institutions—including one or two of the big ones—which gives Cavenham one opportunity for pressing its case.

What this affair has brought out, however, is the fact that for one reason or another Cavenham—although a constituent of the 30-Share Index—is not much loved by the institutions. A straw poll of 24 managers of large funds yesterday revealed that just over half did not hold the stock, and a number of these seemed to be more hostile than indifferent. In fact Cavenham only seems to have half-a-dozen outside shareholders of any size, which is really very few for a company of this size and importance. Three fund managers were unequivocally in favour of the scheme, three were more or less opposed, and five appeared to be moving in an uneasy sort of way towards acceptance.

The GA deal contains most of the elements which make the institutions unenthusiastic about Cavenham. It consists of highly complicated inter-company transactions, it reveals a weakness that was not evident before—in the group's apparent need to build up cash resources abroad—and although it produces a much simpler corporate structure, it does not necessarily mean that there is no more reshuffling to be done among Mr. Goldsmith's interests. The future role of Anglo-Continental, whose interest in Cavenham stands to be diluted to 16 per cent, will have to be rethought, for instance.

The proposals, which are backed by the independent ad-

Base rates

Bank analysts were busy up-grading their earnings forecasts for the clearing banks yesterday in the wake of the expected round of base rate increases. But the effect is only to bring forward slightly the recovery in profits which was already being projected for the second half-year. Only just over one month's benefit of the higher rates will come through into the first half figures which will still be fairly depressed. And there is general scepticism about the significance of the jump in bank lending indicated by the weekend statistics. Share prices of the clearers were hardly changed yesterday.

As for the size of the base rate rises, it is worth noting that three-month interbank rate has now climbed by 2½ points since the first half of April, so it is not going to be very profitable for the clearers to finance marginal lending. NatWest's decision to go half a point higher, may indicate a greater than average dependence on wholesale money, or just its view on the way things are developing.

Sun Life/Artagen

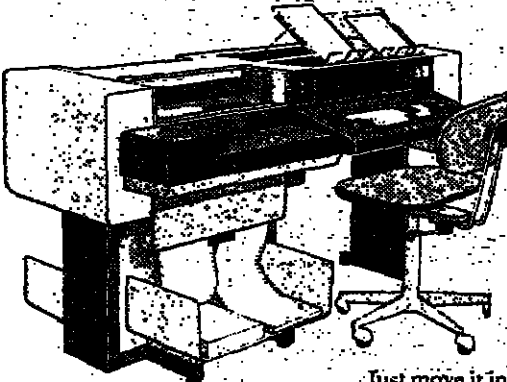
Sun Life has duly increased its offer for Artagen—by 15 per cent to 84p—but it has not replied in detail to what it regards as mainly "hypothetical" arguments on valuation and the loan agreement. The increase can be explained by various formulae taking account of these points or, more simply, as moving up more or less in step with new valuation of the properties alone. The new offer anyway seems certain to be rejected by Artagen on the grounds that none of its points or figures has been answered.

The problem for Sun Life is, of course, that the offer must do more than merely win control; it needs to sweep the board to cancel the loan agreement—and in particular it will have to win over institutions which want to have a stake in the property sector and can find few other high-quality stocks yielding 4.9 per cent elsewhere. The key could, however, turn out to be the Kuwaiti shareholding which is now up to about 7 per cent. This could not only be a suitable springboard for an offer—and Artagen's portfolio would fit in neatly with St. Martin's—but is also large enough already to be a bargaining counter. With the shares up at 84p yesterday, there is no reason for shareholders to be in a hurry to accept.

House of Fraser

House of Fraser has followed a buoyant close to 1975-76 with a dip into pre-tax losses of £0.3m, for the first quarter of the current year. The turnaround seems an effective setback of over £2m, which is roughly a tenth of the £20.8m that the group made overall last year. It has had to absorb losses of £0.36m, from new store openings and acquisitions, and is apparently working to a more conservative accounting treatment which if applied to 1975-76 would have knocked at least £1m pre-tax off first quarter profits. But Fraser's sales trend has been nothing to get excited about with the 13 weeks to May 1 ahead by a tenth, excluding acquisitions, whereas Debenhams reported growth of 17 per cent over an admittedly more favourable 15-week period to mid-May. Demand is now beginning to pick up sharply, but the early weeks could well limit overall progress this year. Yield at 84p is 7.1 per cent, covered twice. See also Page 23

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NZ butter imports face legal block

BY ROBIN REEVES

NEW ZEALAND butter may, after all, be forced out of U.K. shops in the foreseeable future. This is in spite of the Labour Government's renegotiation of Britain's EEC membership terms during which Sir Harold Wilson, then Prime Minister, thought he had won a continuing place for New Zealand butter imports.

The Government's successfully renegotiated terms may be seriously undermined by a legal opinion delivered by lawyers attached to the Council of Ministers—the Common Market's top decision-making body.

The lawyers conclude that, while it might just be legally possible to have one more review to plan the final phasing out of NZ butter, anything beyond that would require amendment of the Common Market Treaty. To be valid, this would in turn have to be ratified by national parliaments of the Nine.

Although in no way binding, this latest opinion will give valuable additional ammunition to the EEC's butter exporting countries who wish to see an end to NZ imports in a Community dogged by dairy surpluses.

Weapon

The lawyers are arguing that the U.K.'s original EEC entry terms, accepted by the Conservative Government, aimed essentially at phasing out NZ butter from the British market—over the re-negotiated terms. This is because they were embodied in Britain's accession treaty as a

special protocol, whereas the re-negotiated terms for NZ butter take the form only of an EEC Heads of Government declaration in Dublin in March 1975.

This follows last week's Common Market Council of Agricultural Ministers' discussion on implementing the Dublin declaration. In a closed session, must Farm Ministers accepted there was a political commitment for continued NZ butter imports into the U.K. up to 1980, but they were staunchly opposed to any commitment beyond that date.

Mr. Christian Bonnet, the French Farm Minister, commented afterwards that he was fed up with the problems of non-EEC member countries.

France, Denmark, Ireland and the Netherlands have pressed for the deletion of a European Commission regulation providing for a review in 1978 of post-1980 arrangements.

It was at this point that the Council's lawyers gave the Community butter producers a new, potent weapon. They argued that the whole drift of the NZ protocol in the accession treaty was a transitional phasing-out operation with room for just one review to settle the final phase, at the end of which NZ butter would disappear from the EEC markets altogether. The U.K. Government's re-negotiation exercise, setting the level of NZ imports for the three years 1975-1980 had taken care of this review and the Council of Ministers had no right to plan further reviews, thereby extending its competence, in the future.

British officials rejected this verbal interpretation as being totally at odds with the Dublin pledge that New Zealand should never be deprived of essential outlets for its butter exports, and called for a more considered opinion in writing.

Legal niceties

If there was universal political backing in the EEC to continue allowing special access for NZ butter into the U.K. the legal niceties could possibly be ignored. But the future of the Council of Agricultural Ministers, so far to implement the Dublin declaration is symptomatic of the underlying hostility of most EEC countries to being deprived of a significant share of the U.K. dairy market indefinitely.

The 25 per cent of the British market now taken by NZ butter inevitably adds to the Community's continuing dairy surpluses and the cost of the Common Agricultural Policy in which dairy support accounts for over 40 per cent of expenditure.

The British Government continues to champion New Zealand's case, because it recognises the still vital economic importance of the U.K. butter market to NZ. Given the unexpected appearance of a European dairy shortage, imports from NZ, the lowest cost dairy producer in the world, are also a useful insurance policy. But for NZ itself, there is no market anywhere capable of absorbing the 120,000 tonnes of butter it ships to Britain each year, in spite of a vigorous diversification drive.

Ministers want more changes in social contract

BY CHRISTIAN TYLER, LABOUR STAFF

MINISTERS yesterday asked for changes to a TUC-Labour Party paper setting out the next three years of the social contract. They want to gain more elbow room and avoid hostile overseas reaction to the more radical proposals.

The report—sent back for a second re-drafting—outlines a programme of State subsidies, extended Government control, re-direction of investment, price controls and a "massive" expansion of job creation and training.

Although the main outlines of the programme will remain, some of the language—for instance, that referring to the need for public accountability by the banks—will be modified.

After this discussion, at a meeting of the TUC-Labour Party liaison committee, four top TUC negotiators spent an hour and a half with Mr. Denis Healey, Chancellor of the Exchequer, and Mrs. Shirley Williams, Prices Secretary. They set out their demands on price controls in exchange for the pay limit already agreed for the autumn.

Mrs. Williams said later that this meeting had concentrated on the Price Code—already discussed in the morning by the liaison committee of which she and the Chancellor are both members.

Priorities

TUC leaders have thus begun detailed negotiations on the Government's plans to modify the Price Code to stimulate investment and create jobs. Parallel discussions involving the Retail Consortium and Prices Department officials have already started. A consultative document is expected to emerge in a few weeks.

The much broader policy document on the next three years of the social contract was criticised yesterday for lacking

clear priorities and being vague about timescale.

Dealing with its demands for job training "on a Swedish scale" and for a new kind of subsidy on jobs created in high unemployment areas, Mr. Albert Booth, Employment Secretary, is understood to have asked that existing measures, such as the £20 a week Temporary Employment Subsidy, be given a longer trial before new ideas are introduced.

Investments

Mrs. Williams is believed to have rehearsed the arguments for letting profits rise, but with the Government's position well known, the TUC leaders did not insist on a debate on this.

Mr. Healey warned that too tough a wording on State intervention, particularly in the financial institutions, was unwise in the present state of the foreign exchange markets. The description of a proposed investment reserve fund, to be set up out of companies' profits, was sent back for clarification.

The social contract document, called "The next three years and the problem of priorities," is likely to be finally approved by the liaison committee on June 21, shortly after a TUC special Congress which is likely to give overwhelming support to the pay guidelines.

It will then go to the ordinary TUC conference in September, and probably become the main economic policy document for debate at the Labour Party conference in October.

The next round of pay restraint will be launched, as last time, with a White Paper—also expected towards the end of June. By then the planned changes to the Price Code should be agreed and the necessary Orders made in Parliament under the Remuneration, Charges and Grants Act.

Editorial Comment, Page 20

Iceland considers peace proposal

BY JONH MAGNUSSON

REYKJAVIK, May 24

THE ICELANDIC Cabinet met here this morning to hear reports from Mr. Einar Agustsson, the Foreign Minister, on the Oslo talks with Mr. Anthony Crosland and Mr. Geir Hallgrímsson, the Icelandic Prime Minister, on a possible peaceful settlement of the Cod War.

The Government did not issue a statement after the meeting but said it would meet shortly with the foreign relations and fisheries committees of the Icelandic Parliament concerning the settlement.

Unconfirmed political sources in Reykjavik say that the agreement will last until January 1 next year and it will allow a limited number of British trawlers inside the 200 mile fishing limit but it will not include a total catch clause.

Political leaders in and out of government now favour a short term agreement with the Labour government. The last one to say so publicly is Mr. Ludvig Jóhannsson MP and leader of the Communist dominated Peoples Alliance even though his party newspaper is against any sort of agreement with the British. Mr. Jóhannsson was Fisheries Minister during the 50 mile fishing conflict.

Malcolm Rutherford writes: The British Foreign Office was

still waiting last night for official confirmation that the Icelandic Cabinet had agreed in principle to a settlement.

As soon as such confirmation is received, the order will go out for the Royal Navy frigates to withdraw from the disputed fishing waters. The British trawlers will be asked to withdraw with them, or at least to suspend fishing while formal negotiations take place.

Very shortly afterwards—probably on Thursday—Mr. Crosland will go to Oslo to tie up final details with Mr. Agustsson.

The broad outlines of the settlement have already been established. The British Government has recognised in the past few weeks that it was engaged in a dispute which it could not win. It therefore decided to settle for the best terms it could get and the only condition was that it should not be exposed to a humiliating public climbdown.

If the Icelandic agreement comes off, the Government will then concentrate on securing an early revision of the European Community's Common Fisheries Policy. The aim will be to compensate the British fishing industry for what has been lost off Iceland by offering new opportunities in extended British and Community waters.

Weather

U.K. TO-DAY
BELT of thunder rain will pass eastwards across the country during day.

London, E. Anglia, S.E. Cent. S. England, Midlands, Channel Is. Cloudy outbreaks of thundery rain. Becoming brighter and mostly dry. Max. 17C. (63F.).

E. N.E. England, Borders. Bright. Outbreaks of thundery rain later. Warm. Max. 18C. (64F.). Cooler on coasts.

BUSINESS CENTRES

| City | Temp | City | Temp | City | Temp |
|--------------|------|-----------|------|-----------|------|
| Alexandria | 27 | Manila | 27 | Manila | 27 |
| Amman | 27 | Medan | 27 | Medan | 27 |
| Baghdad | 27 | Mexico C. | 27 | Mexico C. | 27 |
| Bombay | 27 | Moscow | 27 | Moscow | 27 |
| Buenos Aires | 27 | Odessa | 27 | Odessa | 27 |
| Cairo | 27 | Paris | 27 | Paris | 27 |
| Calcutta | 27 | Rangoon | 27 | Rangoon | 27 |
| Colon | 27 | Singapore | 27 | Singapore | 27 |
| Hankow | 27 | Tokyo | 27 | Tokyo | 27 |
| Hong Kong | 27 | Yokohama | 27 | Yokohama | 27 |
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Time running out to end rich-poor nation split

BY REGINALD DALE

NAIROBI, May 24.

THE FOURTH U.N. Conference on Trade and Development (UNCTAD IV) came closer to crisis last night, with no sign of a major breakthrough only four days before the month-long talks are due to end.

Many delegates were to-night seriously wondering whether enough time was left to salvage the conference from a failure that could lead to renewed confrontation between the world's rich and poor nations.

After two key negotiating committees reported total failure to agree on raw materials debt relief, Jamaican Ambassador Herbert Walker told the conference that the main political theme of the conference was to "pack up and go home."

For industrialised countries, Belgium said miracles could happen in the last week of international conferences and condemned "excessive pessimism."

Despite the gravity of the situation, some hopes were still alive here to-night that the conference could be saved by a major political effort in the next few days.

Although some progress has been made on transfers of technology to developing countries, one of the priority agenda items, deadlock remains almost total on the two crucial issues of commodities and debt relief. Faced with a virtually united front among the developing countries, the industrialised countries are still widely split, particularly on commodities, the main political theme of the conference.

With most of the industrialised delegations still refusing to agree to a common fund to help stabilise raw material prices, the developing countries have started to try to force their hands. One after another Third World governments now plan to pledge their own contributions to the common fund, with the implicit threat to try to go it alone if the rich countries do not chip in.

Out of the 16 countries that have said they will contribute to the fund, five (the Philippines, Yugoslavia, India, Indonesia and Sri Lanka) have already made firm pledges totalling \$155m, and Mexico, the United Arab Emirates, Pakistan, Iran, Zambia and

Kuwait to-night reiterated their support.

It is thought here that pledges totalling \$300m, and \$500m, might be picked up by the end of the conference.

Some Third World delegates admit that this would not be enough to launch the fund, but hope that it would put great psychological pressure on the main body of industrialised nations. The original UNCTAD target was an initial \$1bn in government contributions, allowing a further \$2bn, to be raised on commercial markets. The fund would ultimately be doubled to \$6bn.

The nearest thing to a compromise so far is a French proposal for a "central fund," to be set up with the new threat of new commodity agreements have been hammered out in the coming two years. But the developing countries are still adamant that the principle of the common fund must be accepted—nobody is saying it should actually be established this week—before they will enter negotiations on the details of future commodity arrangements. Bonn's opposition Page 4

Vulnerability of tank armour worries Soviet army

BY MALCOLM RUTHERFORD

THE SOVIET military establishment is expressing deep concern that its tanks and armoured personnel vehicles have become excessively vulnerable to anti-tank warfare. The result is that the Soviet preference for an offensive strategy is being undermined.

Details of a previously little-known debate within the military are disclosed in an article in the latest issue of the Soviet journal of the International Institute for Strategic Studies, by Mr. Phillip A. Karber of the BDI Corporation, Virginia.

Mr. Karber reveals—with copious documentation—that the awareness of the vulnerability of Soviet tanks goes back to the early 1960s and quotes Mr. Krushchev, the then Party leader, as admitting that the tanks could be destroyed by the western anti-tank guided missiles even before they reached the battle line.

However, it was only after the Middle East war in 1973 that the debate really became intense.

The lesson of that war, quickly acknowledged in the west, was the effectiveness of modern anti-tank defences, but it was not until the Soviet invasion of Czechoslovakia in 1968 that the lesson had also been drawn in the east. In the west it was a matter for relief; in the east it was a matter for concern.

Two top level conferences of Soviet officers were held to review the implications, one in late 1974 and the other in early 1975. At the latter, both Marshal Grechko, the late Minister of Defence, General Pavlovsky, the Commander-in-Chief of Ground Troops, severely criticised current Soviet operational exercises and called for a doctrinal debate on the consequences of anti-tank technology.

Since then, according to Mr. Karber, more than 50 analytical articles have appeared in the western anti-tank guided missiles even before they reached the battle line.

It is significant that at no stage

in this debate has the value of anti-tank weapons been challenged. Instead, the debate has centred on how the Soviet Union can deal with the new threat to its ground armour while maintaining an offensive strategy.

So far, no satisfactory solution seems to have emerged. The option of an earlier Soviet resort to tactical nuclear weapons has been considered, but Mr. Karber remarks that this approach seems to have been ruled out on both political and operational grounds.

The irony of the Soviet debate lies in the fact that the potential vulnerability of the tank had already been foreseen some years ago and steps had been taken to place more reliance on armoured personnel vehicles. It has emerged from the debate about anti-tank warfare, however, that the new vehicles are even more vulnerable to Western defensive systems than the tank.

Survival, Research Publication Services, Victoria Hall, East Greenwich, London, S.E.10 7BP

Concorde halves flight time

tion said that the British Concorde noise was 112.7 perceived noise decibels and the French was 112.7. This compared with 118 for a Boeing 707 which landed this morning, and 113.2 for a Boeing 727 and 112 for a DC 9.

Only one incident threatened to mar an otherwise perfect approach by the British Concorde when a small private aircraft, taking photographs of Concorde,

strayed too close to the approach pattern.

At one stage it was within three miles of Concorde and only 400 feet below it.

The FAA said it did not consider the incident dangerous because Concorde's captain did not have to take evasive action and the aircraft landed smoothly.

A spokesman for Fairford County, one of the two local authorities which tried and

failed last week to get the Supreme Court to postpone landings still further, said that it would not be taking action until the two Concorde had taken off and all the noise data had been evaluated.

A decision on whether to prosecute British Airways and Air France for violating the county's noise law is not expected until Thursday at the earliest.

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